

Price Rises Launch Hungary's Austerity

By Henry Kamm
New York Times Service

BUDAPEST — Price increases on vital consumer commodities and services announced last week by the Hungarian government are part of an austerity program designed to reduce consumption in a country that has for years been consuming more than it produces.

The rises, which had been expected since before Karoly Grosz took office on June 25 as the new prime minister, are far-reaching.

Under the increases, the price of flour and bread will go up by 19 percent, cigarettes by 20 percent, fuel oil by 29 percent, public heating by 22 percent, heating gas by 17 percent, electricity by 18 percent and gasoline and diesel oil by an average of 10 percent.

The increases were slightly offset by small rises in minimum pensions and benefits paid for children and students.

In a terse explanation, the government declared that the increases were necessary to reduce the imbalance between production and consumption, shrink the budget deficit and lower the subsidies paid by the government to make basic consumer goods available at less than economic prices.

The measures, although expected, are likely to deepen a discontent that has gripped Hungarians since the early 1980s, when their sense of economic well-being began turning sour. This followed the better part of a decade during which a classical Communist economy discovered the benefits of allowing some private entrepreneurship and making loans of hard currency available to stimulate a consumer economy.

Today, Hungary has the highest per capita debt of any Communist country, around \$13 billion for a population of 10.6 million.

Its usually productive agriculture has suffered two successive below-par years, and commodity prices have declined. Its manufactured exports, including textiles and shoes, have to contend with increased competition from such mass producers as South Korea, Taiwan and Hong Kong. Prices have also dropped in the categories of steel and aluminum that Hungary exports.

Economic stagnation has made structural reforms the most active subject of discussion within the government, the Communist Party, academic institutions and the public at large, along with the repercussions in the political sphere.

The discussion goes hand in hand with a deepening feeling that an era has come to an end in Hungary. Janos Kadar, the Community Party general secretary for more than 30 years, has turned 75 and is clearly playing a much more passive role in national affairs.

Clash Greets Afrikaners Home From ANC Talks

The Associated Press

JOHANNESBURG — Clash broke out Tuesday between rightists and liberal groups demonstrating at Johannesburg's airport as Afrikaner dissidents returned from talks with the outlawed African National Congress.

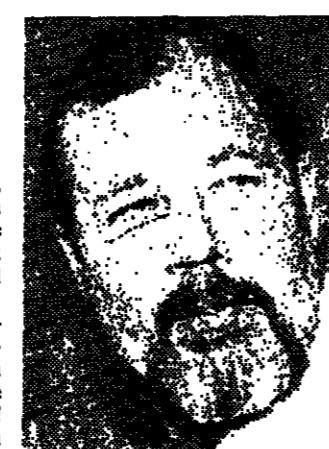
The police moved in to separate the white rightists and a multiracial student group outside the terminal of Jan Smuts International Airport. They then charged a group of reporters and detained at least six. No injuries were reported.

The group of about 50 delegates who attended the talks in Dakar, Senegal, did not emerge from the customs hall. The delegates canceled a scheduled airport news conference and kept out of sight.

About 200 members of the Afrikaner Resistance Movement, a white-supremacist organization claiming to defend Afrikaner culture, rallied in the terminal shouting "traitors" and other invective at passengers whom they mistook for delegates.

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Democrats Should Focus On Economy, Leaders Say

By Paul Taylor
and David S. Broder
Washington Post Service

CLEVELAND — State chairman of the Democratic Party say their candidates for the 1988 presidential race would be better off focusing on voters' concerns about the nation's economic future than on the Iran-contra affair.

With a year to go until their national convention, most say they doubt that "rule of law" and "decency in government" campaign appeals will retain a strong grip on the electorate's attention once the Iran-contra hearings fade from the television screen.

Those appeals were pivotal in Jimmy Carter's victory in the post-Watergate election of 1976, the Democrats' only presidential victory of the past two decades.

"Nobody is going to carry Ohio talking about Iran-contra," said James Ruvelo, Ohio Democratic chairman and host to the meeting of the Association of State Democratic Chairs last weekend.

"There will be 10 other issues before the first vote is cast in 1988 that will be more important," he said. "Jobs will be No. 1 and education will be No. 2, and everything else will be 10."

Richard Wiener, head of the association and chairman of the Michigan Democratic Party, said the affair would "revive a cyclical tendency the public has not to trust Republicans," but most of his colleagues characterized the likely damage to the Republicans more modestly: as eliminating a positive rather than creating a negative.

"It has taken some of the glow away from Reagan," said Peter Kelly, chairman of the California Democratic Party, "and without that happening, whoever the Republicans nominated could have run a 'four-more-years' campaign."

State party chairmen who participated in a group discussion split generally along regional lines over how their candidates should craft their economic appeals—and their differences suggest that an economy with pockets of strength and weakness will complicate the "out-party's efforts to fashion a single economic message.

Chairmen from Ohio, Illinois and Pennsylvania, where economies are shifting away from heavy industry, said that candidates could carry their states talking about an activist government with new programs to roll back the problems of job loss. But party leaders in the Southern and Sun Belt states flinched at the notion of rhetoric that sounds too gloomy or policies that seem too expensive.

"People don't want to hear that in North Carolina," said Linda Ashendorf, vice chairman of that state's Democratic Party, as colleagues from Florida, California and New Jersey nodded in agreement. "The cities in my state have a 2 or 3 percent unemployment rate. The people still want to hear that it's morning again in America."

Perhaps because they are unsure of the right tone, the leaders said they think their greatest strength in 1988 will be "the messenger, not the message"—this despite the current lack of national stature by all of their candidates except the Reverend Jesse L. Jackson.

"Look how long it took the American people to embrace Oliver North," said Larry Yatch, chairman of the Pennsylvania party. "All of four days."

The people want a tough, strong, take-charge individual, and from our talented field, someone will break out," said Laurence Kraner, New York chairman.

Although eight announced or prospective presidential candidates gave speeches to the gathering last weekend, and the event received saturation coverage in the local news media, interviews with voters in ticket-splitting neighborhoods in and around Cleveland immediately afterward showed how clean a slate most of the candidates really are.

"There's still a year to go," said Shirley Steiner, an accountant from Fairview Park, west of Cleveland, defending her inability to name any of the Democratic candidates. "I figure I've got plenty of time to watch them all on TV."

Mr. Jackson was the only one who drew anything beyond blank stares or shrugs—and his notices in Cleveland's 11th Ward, an ethnic area on the eastern edge of the city, were nothing to brag about. "I may be a little prejudiced, but he seems like a cocky so-and-so," said Frances Kolene.

747 Almost Touched Down Without Wheels

United Press International

LONDON — Trans World Airlines is investigating a pilot's failure to put down the wheels of a jumbo jet until an air controller radioed a warning less than a minute before the plane was to land, officials said.

The Boeing 747, on a flight Friday from New York to London with 380 passengers, was 200 to 250 feet (60 to 75 meters) off the ground, approaching Heathrow Airport's main runway, when the controller noticed the captain had not lowered the landing gear on the aircraft, officials said Monday.

The pilot immediately aborted the landing. After making a steep climb and another approach, he landed safely, a spokesman for the Civil Aviation Authority said.

The pilot, an American with 20 years of flying experience, and the

AMERICAN TOPICS

Attacks by Pit Bulls

Stir Clamor for Laws
Many cities and states, prompted by reports of pit bull attacks on people, are moving to ban or regulate the dogs. The New York Times reports. Officials who work with animals say it is the heaviest legal assault on a specific breed they can recall.

The term pit bull refers to a range of dogs with squat, muscular bodies and steel-trap jaws, descendants of the fighting bulldogs of 19th-century England. Known either as pit bull terriers or Staffordshire terriers, they were bred by crossing the bulldog with a terrier, possibly the fox terrier or one of the old breeds known as the white English or the black-and-tan terrier. Pit bulls have a genetic history of being bred for combat with other animals or other dogs.

The Humane Society of the United States says that since July 1983, pit bulls have been responsible for 20 of the 28 dog-bite deaths in the country, including all five this year, although they account for perhaps only one of every 100 American dogs. The society says that largely because of pit bulls, it has received inquiries from more than 600 communities about animal-control ordinances. But because of legal challenges, only about 10 of some 40 breed-specific laws are still on the books. Many breeders say that properly trained pit bulls are no more dangerous than German shepherds or Doberman pinchers.

"We're seeing a growing propensity to have mean dogs in an age when we're increasingly distrustful of law enforcement," said a Humane Society spokeswoman. "But we're also seeing the general public less willing to put up with people who are unwilling to restrain their dangerous animals. Your right to own a vicious dog stops at my throat."

Short Takes

Of the more than 400 native languages spoken in North America before the Europeans arrived, half have disappeared. A few are thriving, including Navajo, Eskimo and Chippewa. Many others are endangered, like Apahao, with only a dozen speakers still living. But on the Kickapoo reservation in Kansas, a federal grant of \$143,000 is enabling 93 school pupils to study Kickapoo and pass it home to revive among their elders. "They talk Kickapoo with the grandparents," said Debbie Wahwassuck, a school board



ERSATZ HEMINGWAY — Jack Waterbury, 57, of Key West, Florida, held up a mackerel and a barracuda that he caught after winning an Ernest Hemingway look-alike contest last weekend in Key West. The contest was held at a bar frequented by the writer.

member, "and our generation can listen in."

The winning side actually gets an average of 71 cents for each dollar awarded by jurors, according to a study by Rand Corp., a California think tank. It said the bigger the verdict, the likelier its reduction as a result of post-trial motions, appeals or negotiation.

Two-fifths of jury verdicts of \$10 million or more were cut, as were one-third of verdicts of more than \$1 million. But only 10 percent of awards of less than \$100,000 and 20 percent of those from \$100,000 to \$1 million were reduced. Rand did not deduct lawyers' fees, which run to a third or more of the final payout.

New, rebuilt and graffiti-free subway cars are attracting more riders, New York City's Transit Authority reports. The agency, halfway through a \$12.4 billion

transit-rebuilding program, said the subways averaged 3,661,000 weekday riders at \$1 a fare through May, up 3.4 percent from a year earlier. It was the highest ridership since 1974, when the fare was 35 cents, but far below the years after World War II, when eight million people a day paid a five-cent subway fare.

A smaller proportion of Americans are going on picnics. In 1965, 60 percent of the people surveyed by the University of Maryland said they had picnicked in the preceding year. In 1982 and 1983, only 48 percent of those surveyed had done so. Sociologists attribute this to the rise of fast-food restaurants, smaller families, more people living alone and the growth of such competing activities as jogging.

—ARTHUR HIGBEE

Soviet Embassy Refuses Tokyo Police Access to Envoy in Technology Probe

Compiled by Our Staff From Dispatches

TOKYO — The Soviet Embassy here rejected on Tuesday a Japanese request that one of its diplomats submit to police questioning about the possibility that aircraft computer technology was illegally transferred from Japan to the Soviet Union.

A police spokesman said the embassy told the Foreign Ministry that Yuri Pokrovski, a deputy trade representative, would not cooperate with the police.

"They told the Foreign Ministry it's a complete put-up job," the spokesman said.

An embassy spokesman called the investigation anti-Soviet harassment.

The police suspect a Japanese aircraft equipment company executive of having sold millions of dollars' worth of aerodynamic technology to the Soviet Union since 1984.

A police official said it was not clear whether the executive would be arrested, since preliminary investigations were not complete.

An official at the Ministry of International Trade and Industry who is familiar with the case said the executive, Minoru Shimizu, apparently sold Mr. Pokrovski a computerized flight management system that calculates fuel-efficient flight plans depending on wind speed and direction for pilots of Boeing 757s and 767s, among other aircraft.

Mr. Shimizu, 55, is a former director of the export division of Toyota Aircraft Instrument Co., which produced the program.

The police had also wanted to question an Aeroflot airline official, Yury Demidov, who left Japan last year. They believe that Mr. Pokrovski is still in Japan.

Frances Kolene.

The 10-0 vote by the Armed Services Readiness Subcommittee, which was accompanied by sharp comments against Toshiba by congressmen, could eventually cost the company \$23 million in business at the bases if it becomes law.

Supporters of the measure pledged quick action by the full Armed Services Committee to get the bill to the House floor before the August congressional recess.

After the vote, the subcommittee chairman, Representative Dan Daniel of Democrat of Virginia, said: "I think it's a signal. I don't think I've witnessed as much outrage over one incident of selling technology to our chief adversaries."

Mr. Daniel said the subcommittee bill covered only sales at base exchanges because "that's all we have jurisdiction over."

■ Further Resignation

Shoichi Sabo, who resigned earlier this month as chairman of Toshiba Corp., to take responsibility for the sale to the Soviet Union, has also stepped down as chairman of the Electronic Industries Association of Japan, The Associated Press reported Tuesday from Tokyo.

He added, "Yet police told me that the flight management system was the most valuable information that was sold to the Soviets."

(Reuters, NYT)

Israel Overseas Radio Cut Off

Reuters

JERUSALEM — Israeli overseas radio broadcasts went off the air Tuesday for the first time for 12 years because of a 24-hour strike by journalists demanding more pay.

On the U.S. side, questions have

2-Tier Wage Scales Under Pressure in U.S.

Airlines, Other Industries Confront Resentment and Declining Performance

By Agis Salputas
New York Times Service

NEW YORK — In 1983, when American Airlines instituted a wage scale for newly hired workers that was lower than that for other employees, executives at other airlines and in other industries thought it was a great idea. They reasoned that by taking the same approach they would be able to reduce their labor costs significantly without having to fight for major concessions from longer-term workers and their unions.

In a contract negotiated with its pilots' union in February, American agreed to reduce the wage gap by increasing the starting pay of new pilots by up to 29 percent. The contract also provided that newer employees covered by the lower pay scale would reach parity with the other workers in 10 years or when they reached captain. Under the old contract, the two pay scales in 17 years.

But while the approach has indeed saved companies money, it has also created problems.

The system has produced a resentful class of workers who in some cases are taking their hostility out on customers. It has generated friction between lower- and higher-paid employees. And at a time when unions have been on the defensive, the system has sparked a new wave of militancy.

As a result, companies are becoming more cautious about embracing two-tier pay structures.

Even companies that have adopted lower-pay scales are having second thoughts. Many, including American Airlines and Giant Foods Inc., have instituted major changes to appease indignant workers and to attract new ones.

Giant Foods, the supermarket chain based in Landover, Maryland, raised the hourly pay of workers in the lower tier by 70 cents last year and gave workers in the upper

tier lump-sum bonuses rather than pay increases. This means that the pay of workers in the two tiers will merge in six or seven years. They would never have merged without the change, said Roger Olson, the Giant's vice president for personnel.

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Two-tier systems may be under pressure, but with the increasing competition from deregulation and lower-cost nonunion or foreign companies, they are not going to disappear soon.

Charles A. Pasciuto, American's vice president of employee relations, said the airline would keep its two-tier system as long as such carriers as Continental, where labor makes up about 25 percent of operating costs.

Airline passengers may not make a connection between their cheaper fares and the lower wages. The lower-paid workers, however, feel the disconnection.

"The attitude on the airplane can be a big problem," said Pat A. Gibbs, the head of the Association of Professional Flight Attendants, which represents the attendants at American. "You can tell that the anger is there."

The lower-paid workers often do just what is required and no more, and sometimes refuse to help the higher-paid workers, according to company and union officials in the airline industry and others.

In a growing number of instances, two-tier systems have made it more difficult for companies to attract and retain workers. When the approach first came into wide use in 1983 and 1984, the unemployment rate was relatively high and a large pool of workers was willing to start at the lower pay. But now that unemployment is much lower, workers' attitudes have changed.

In the airline industry, where many carriers have been expanding rapidly, the quality of applicants for several jobs, including pilots, has begun to erode at companies with two-tier systems, according to some union and company officials.

This was a major factor in leading American Airlines to modify its two-tier system, said John Fisher, who has monitored the trend for the Congressional Research Service, which studies topics for Congress.

"They had to go back and offer more money," he said. "They were not getting the quality of pilots they wanted."

Union leaders are also coming under greater pressure to fight the two-tier approach.

or about 20 percent of its unionized work force, on its lower pay scale.

Labor costs have dropped to 30 percent of operating costs, from 38 percent in 1983. That is still higher than costs at such nonunion carriers as Continental, where labor makes up about 25 percent of operating costs.

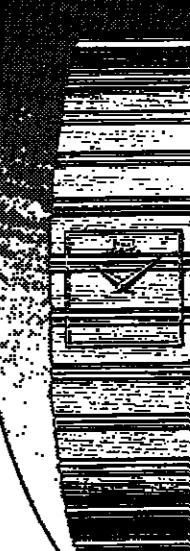
When management first proposed the wage plan, labor leaders often acquiesced. They realized that companies had to reduce their costs, and because their members, whose pay would not be affected, often did not care about what the new workers were paid, it seemed a painless concession to make.

But the rising number of second-tier union members care deeply. Succumbing to the pressure they have been exerting, the Association of Professional Flight Attendants is now trying to force American to do away with its two-tier system entirely.

Some labor experts think that over the longer haul, as the gap between the compensation of union and nonunion workers narrows, companies will gradually do away with the two tiers for skilled workers.

But Mr. Fisher said that for jobs requiring less skill, such as those of flight attendants, two pay tiers may persist. He added, however, that if the unemployment rate continues to fall, companies may have no choice but to do away with two-tier systems altogether.

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Japan Signs Pact to Join U.S. in SDI Research

United Press International

WASHINGTON — The United States and Japan signed an agreement on Tuesday, with secret protocols, for Japanese industry to participate in research on the U.S. anti-missile defense system at the Pentagon.

Japan joins Britain, West Germany, Italy and Israel in participating in the Strategic Defense Initiative.

An unclassified agreement was signed to "classified arrangements" to carry out the pact. The agreement provides for "detailed procedures in areas such as information security, technology transfer and rights to use research results," the Pentagon said.

Japanese officials say that under the agreement, companies will be able to use some of the results, either in direct application or by licensing from the Pentagon.

The Pentagon, however, will have the right to classify discoveries more than two years of highly sensitive deliberations.

From the start, however, the Japanese government seemed likely to approve the participation by Japanese companies. It is eager to involve its industry in new-generation technology and generally has favored taking a higher profile in the Western military alliance.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Getting to the Source

Senator Orrin Hatch of Utah elicited from Rear Admiral John Poindexter on Monday a statement that the decision to explore an opening to Iran 1) was the president's and 2) was the product of serious study and review. Evidently Mr. Hatch meant to be establishing Mr. Reagan's capacity for staying on top of policy in his own government. Actually he was establishing the president's responsibility for the basic flaw of the Iran-contra affair, the source from which all else flowed.

Of course, it was reasonable for the U.S. government to be looking to establish a better relationship with Iran in time and to explore any openings toward moderation that were possible. But the judgment made and the arrangements entered into on the basis of having read some of the most exploitative elements in Iran as "moderates" all but define the problem. It was thought that if these fake moderates were carefully cultivated, they could either (depending on your reading of the president's purpose) produce the hostages or restore a hostile Iran to a political and strategic situation consistent with the American interest.

At this point it should be evident that the narrower purpose of dealing with certain elements in Tehran in order to get back the hostages, was quickly discredited. The few hostages who were released were quickly replaced by new Americans seized in Lebanon. That Admiral Poindexter destroyed the presidential finding which authorized

such an exchange suggests that he came to understand the futility of this exercise.

The United States was not able to make a good test of the broader purpose of the Iran opening, to explore avenues for moderating Iranian policy. But a full-fledged test subsequently was made by France — to which, by the way, Ayatollah Ruhollah Khomeini owed a great debt for its hospitality in his years of exile. As Flora Lewis of The New York Times usefully recalls ("With Iran, Shady Deeds Don't Pay," *IHT*, July 21), the French, seeking to "normalize" relations with Iran, kicked out another Iranian exile, a rival to the ayatollah, and settled a third of a billion dollars upon Iran in partial repayment of an old loan. The Iranians responded by giving refuge in their Paris embassy to an embassy translator (not a diplomat) wanted for questioning in last year's terrible bombings in Paris, and it was this that triggered the current explosive crisis in French-Iranian relations.

In light of the centrality of the opening to Tehran, it is especially unfortunate that the congressional committees apparently do not intend publicly to question Michael Ledeen. As the first American to discuss an opening to Iran with the Israelis and the first to meet with a supposedly moderate Iranian, Manucher Ghorbani, Mr. Ledeen is in a unique position to inform Congress about the launching of the policy whose crash is absorbing its attention day after day.

— THE WASHINGTON POST.

Reflag the Satellites?

With the space shuttle grounded, so are many American space cargoes into the vacuum created by NASA's mismanagement. The Soviet Union has now stepped with an offer to launch American communications satellites at cut-rate prices. Can the United States afford to accept it?

For commercial users of space, the offer is almost too good to be true. To put a two-ton communications satellite into geosynchronous orbit, the Russians ask \$3.0 million, about half the going rate. They promise full confidentiality and competitive rates on insurance. "Your Fast Track to the Stars," runs the ad for the Soviet Proton rocket service.

Launching so many of their own satellites probably creates economies of scale permitting the Soviet Union to offer such cheap rates without great loss. It gains hard currency and visibility abroad. Launching American satellites highlights its strength and America's weakness.

That is why the State Department is strongly tempted to block the idea, by invoking a law that bars transfer of satellite technology to the Soviet Union. Another reason is that American rocket makers hope to offer commercial launch services when they resume production in a few years. Users may by then have come to expect rock-bottom Soviet rocket prices.

On the other hand, it is hard to deny

American space users the benefit of so cheap a service. The Russians could probably learn little of value from launching American communications satellites, provided they give acceptable guarantees not to pry into the launch packages.

The United States landed in this dilemma because for years both the executive and Congress neglected NASA's disastrous space policy. The space agency wanted, above all, to advance the space shuttle. It discouraged further production of most expendable rockets, forcing everyone to put all his space eggs in the shuttle basket. That left no room at all after the Challenger disaster.

Both military and commercial space activities could have been crippled by NASA's ploy. But so far the reconnaissance satellites already in orbit have sufficed, and fiber optics have reduced the expected need for communications satellites. America's situation is not so desperate; it can take or leave the Soviet offer. The decision can turn on the state of Soviet-American relations when Moscow makes a specific launch offer.

To be faced with the dilemma at all shows how minimally NASA's shuttle policy has served the national interest. More vigorous efforts to foster a commercial launch industry would be the best way to prevent more such embarrassment.

— THE NEW YORK TIMES.

Other Comment

Against the Fear Iran Inspires

ought America to undertake the risks attendant on naval intervention in the Gulf for what may prove at best a purely symbolic victory? If the conveying succeeds, the benefits that accrue may prove very large. Iran exercises the influence it does in the Gulf region by fear alone, a fear fueled by the military menace it levels at its weaker Arab neighbors. That menace is trivial when set against the force available to all the non-Gulf states it has succeeded, by its egomaniac conduct, in making its enemies. They include not only France, Britain and the United States, but the Soviet Union. Iran has painted itself diplomatically into a corner, yet continues to behave like a regional, and lawless, superpower. If a real superpower now explodes its pretensions, the result will be of benefit to the whole region, to the principle of free navigation everywhere and to Soviet-American relations at a critical moment.

— The Daily Telegraph (London).

The concern at the United Nations would have been more wonderful and deeply moving if it had emerged rather earlier than 82 months after the war began. So long as Iraqis and Iranians were rerunning the First World War at greater length than the Second on their own ground, that was nobody else's business (except for arms suppliers and assorted meddlers). But only when Iranians looked like winning, with profound implications for the surrounding region and the world at large, did the world's leading powers unite in an anxious call for an end to seven years of slaughter.

— The Guardian (London).

Portugal Votes for Stability

Just over half the Portuguese who voted lent their support to the center-right Social Democrats led by António Cavaco Silva. Mr. Cavaco will now be able to form a majority, one-party administration. The Portuguese have not only observed the need for a period of stability, they have done something rarer: voted to bring one about.

Mr. Cavaco's mixture of cheerless prophecies and self-congratulation has won him a

remarkable victory. But although he certainly deserved credit for restoring the confidence of investors in Portugal during his term as prime minister, the rapid expansion of the economy during the last 18 months also owes much to a fall in the value of the dollar and oil. His new term of office may not be attended by such good fortune. There is, however, a good chance that it will be longer, and that it is good for Portugal.

— The Independent (London).

The victory of the Social Democratic Party led by António Cavaco Silva is a famous one by any standard. It is the first time, not only since the 1974 Revolution put an end to 48 years of right-wing dictatorship, but this century, that a democratically elected political party has won an overall parliamentary majority. Portugal has at last been given the political stability that will permit its still relatively backward economy to be modernized and to become fully competitive within the European Community.

— The Financial Times (London).

Colorful, but Damning

Among the many witnesses expected to testify during the hearings into the Iran-contra affair, Robert Owen was not initially regarded as a major actor. But he has provided details about a covert operation that reached from darkened street corners into the White House itself.

Mr. Owen described how he moved back and forth between working officially for the Reagan administration and serving unofficially as Lieutenant Colonel Oliver North's courier to the contra rebels in Nicaragua, taking them everything from money to maps to medicine to arms. The game was exciting, he said, but he was struck by the similarity between Mr. Owen's testimony and the colorful detail provided by another minor character in the Watergate hearings, Arthur Ulanowicz. A retired New York police detective who acted as a bagnoman for the Nixon administration's plumbers unit, Mr. Ulanowicz was regarded as little more than comic relief when he testified before a Senate committee. But the colorful activities he described would, ultimately, help bring down a president.

— The Los Angeles Times.

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OPINION

Turn Left Off Wall Street Into Red Square

By Charles McC. Mathias Jr.

WASHINGTON — "When you live among wolves, you must howl like a wolf," Lenin wrote in 1921, justifying business partnerships with the "imperialist bandits" of the West as indispensable to Russia's economic resurrection from the ravages of revolution and war. He argued that "these retreats to state capitalism" are indispensable to secure the means of production and commodities so that "we shall stand so firmly on our own feet that no capitalist enemies can overtake us."

Under the seemingly more self-assured glow of *glasnost*, Soviet leaders may have come full circle. They are again contemplating the strategic possibilities of commercial partnerships with the West — now less for reasons of national metamorphosis and survival than for simple economic advantage.

Most promising for American business is the Soviet Union's developing interest in joint ventures with the West. These were discussed when with other directors of the Council on Foreign Relations in New York, I visited Moscow last February and met General Secretary Mikhail Gorbachev and other officials.

Vladimir Kamentsev, deputy chairman of the Council of Ministers and chairman of the Commission on External Economic Affairs, explained that the new policy responds to disappointment with the Ministry of Foreign Trade's record in promoting exports. Even trade in basic exports such as fuel, coal, gas and timber has weakened. Indeed, the role of exports in the

economy in general is seen as out of balance.

The government realizes that it is not efficient for the Soviet Union to produce everything. It would make more sense to have some imports that can be more economically produced elsewhere. As a result, more than 20 ministries and offices, along with 67 large enterprises, have been given direct access to foreign markets. Where appropriate, special firms have been created to pursue foreign trade activities.

To date most of the activity has involved drafting administrative measures. Putting these measures to work by plant managers is next. Indeed, encouraging plant managers is central to the new plans. Years ago, the drain on plant resources and the red tape involved in production for export made it unpopular with Soviet plant managers, and they would fight off export orders. Now there is a special tax rate for earnings in foreign exchange — specifically in dollars — creating fiscal, effective incentives. Soviet managers will now have to fight to get such orders.

A typical joint venture will be structured with a 51 percent Soviet share and 49 percent foreign participation. Foreign capital contributions may include know-how, equipment, technology and similar assets. The Soviet capital contribution may include real estate, buildings and the labor force. All ventures will be based in the Soviet Union.

These ventures would produce for both the

domestic and foreign markets. At present, the Soviets are using much of their convertible currency to buy equipment. Their goal is eventually to produce such equipment themselves and reduce the drain on foreign exchange.

The Soviet Union will not provide foreign currency to finance joint ventures. Neither will joint ventures interfere with the country's overall planning or operations. If, on the other hand, a venture is able to earn foreign currency, there will be no tax on a partner's share when it is reinvested. Any surplus can be transferred out of the country and will be taxed at a rate of 30 percent after the first two years.

An example of such an enterprise is the Soviet-Japanese venture to produce "marine beef" out of fish. The plan is to market half the production domestically and the other half abroad. Mr. Kamentsev estimates that all capital will be recovered in about five years.

The Finance Ministry can reduce tax rates and provide other incentives to joint ventures. The only requirement is that such economic cooperation must be mutually beneficial.

In order to integrate the controlled prices of a planned economy with the market price of a free-enterprise economy, the Foreign Trade Ministry will buy the products of a joint venture just as if they were those of an ordinary private company. It will pay the full world market price. If the purchase is made for resale in domestic markets, the product will be priced at a fixed sum that reflects social goals, with the difference representing a state subsidy. And a joint venture will have the freedom to determine where it will place its raw materials and other supplies.

The cost of labor will be determined at prevailing rates. Labor questions will be settled in accordance with Soviet labor law.

In 1985, echoing Lenin's argument (but for a vastly changed country), Mr. Gorbachev told an American trade delegation: "If we are to have genuine stable and enduring relationships capable of ensuring a lasting peace, they should be based among other things, on well-developed business relationships."

In joint ventures, Soviet planners have constructed, on paper at least, an interesting amalgam of capitalist opportunities within socialist necessities. Whether or not the experiment is the seed of Mikhail Gorbachev's "enduring relationships" or simply a revisiting of Lenin's "necessary retreat" to capitalism, it will make for interesting business.

The program's success should not be taken for granted. But Moscow seems determined to make it work and is anxious for the foreign exchange and technology it may attract. This may not guarantee quick profits, but it justifies cranking up the corporate jet for a flight to Moscow to assess the potential for doing business in a new environment.

The writer, who now practices law, is a former Republican senator from Maryland. He contributed this column to The New York Times.



A U.S. Negotiator: Has Gorbachev Changed His Mind?

By Max M. Kampelman

The writer, a counselor to the State Department, is head of the U.S. delegation to the Geneva negotiations on nuclear and space weapons.

strategic arms is the "root problem"; we agree. He agreed with President Reagan at Geneva, and again at Reykjavik, that 50 percent reductions should take place. Yet, although we introduced a START treaty in Geneva weeks ago, the Soviets have yet to give us their own treaty. We wonder if Mr. Gorbachev has changed his mind. The remaining problems in all areas

cover third country systems. They obviously cannot affect existing patterns of cooperation with our allies either.

In five years of negotiation, the Soviets never proposed limits on the German Pershings or the warheads for them. They made no such demand even as recently as George Shultz's trip to Moscow in April. Now, at the eleventh hour, this demand suddenly appears.

One must ask, who is erecting last-minute obstacles to agreement?

Another Soviet "obstacle" concerns the matter of conversion — physically changing a missile limited by a treaty to another type of missile. Let me note that if Moscow agreed to our proposal for the global elimination of INF missiles (longer range and shorter range), the key type of conversion becomes impossible: shorter-range American Pershing-1Bs, to which Pershing-2s could be converted, would be banned.

Since the Soviets have not yet accepted that proposal, our draft treaty provides that those INF missiles scheduled for elimination be destroyed or converted. Both sides would have the right to choose how they eliminate their missiles. Either way, the systems would cease to exist; the other side could verify it by on-site inspection. Conversion has long been an accepted means of meeting arms control limits. If the Soviets for some reason do not want to permit conversion in this case, we can deal with the problem by going to zero.

A third "obstacle" concerns location: where the United States would be allowed to deploy its remaining 100 long-range INF missiles after the conclusion of a treaty (assuming we do not go down to zero). The Soviets want to bar U.S. deployment in Alaska, since missiles there could reach Soviet territory. This issue arises only because the Soviets insist that both sides retain 100 warheads on these missiles rather than eliminate them, as America and virtually every other country outside the Warsaw Pact would do. With zero, the problem would disappear.

Because of the range, mobility and transporability of the SS-20s, their deployment anywhere in Soviet Asia constitutes a threat to our allies in Asia and Europe, which we consider equivalent to a threat against ourselves. We cannot agree to bar the United States from countering such a Soviet threat.

Mr. Gorbachev is proposing at Reykjavik that our 100 be in the United States, did not mention Alaska, so again the question arises of just who is permitted to remain last-minute obstacles.

Mr. Gorbachev stated recently that the Soviet Union is, in fact, ready to eliminate the final 100 INF warheads and invoke the "zero option," but only if the United States removes its nuclear-capable aircraft from the Far East. But what we are negotiating is intermediate range missiles and the United States has no INF missiles in the Far East. The nuclear-capable aircraft he would have us remove are dwarfed in number by Soviet nuclear-capable aircraft, which would not be limited by Mr. Gorbachev's proposal.

Finally, the Soviets claim that

The Contras Will Come To Nothing

By William Pfaff

PARIS — It is not only the generals who are at war behind Official Politics, politicians and policy makers just as often trying to win some battle long ago lost. Exactly this lay behind the Iran-contra affair. It is a problem good deal more urgent than the lack of answers to what the president knew and when — questions which now scarcely need to be asked.

People commonly are shaped by decisive historical events in their youth. The failure of the Western powers to resist Hitler at Munich motivated U.S. policy makers of the following generation to stand up to what they identified, or misidentified, as Hitlerism. Ronald Reagan and William Casey, old men, were still doing it in Nicaragua. Oliver North, no doubt, has been fighting Vietnam, and this time war.

A veteran officer of the CIA, who joined it when it was started, after World War II, says: "BNI [CIA] problem was that the CIA was not big enough." The wartime Office of Strategic Services fought when normal, political choices were plain and Americans had no doubt about their cause. The people who collaborated with the OSS were the best of their generation.

The CIA, when it began, still functioned in a morally uncomplicated landscape, that of Stalin

he Contrary
Will Come
to Nothing

By William Pfleiderer

Buried Alive on This Rock Where Tourists Now Shuffle

By George F. Will

ALCATRAZ ISLAND — Across the cold water with the killing current, somewhere in San Francisco, lives an 82-year-old man who in 1934 arrived by railroad car at this rock in San Francisco Bay. He was chained to other convicts, including Al Capone. They had crossed the United States in barrel railroad cars that were put on a barge and floated out to Alcatraz.

Thus was Alcatraz theatrically inaugurated as a federal "correctional facility." But it was one that had nothing to do with correction. It had much to do with the glorification of J. Edgar Hoover, who understood that when

Hard men were made to suffer because they had made others suffer.

gangsters were dramatized, the FBI's gangbusters were glamorized.

Small (22 acres) and barren (all the topsoil was brought from the mainland), Alcatraz is a pebble in a platinum setting, an eruption of gaudiness in the foreground of a sparkling city. The prison was an American oddity because it foretold hopes for prisoner rehabilitation.

This history of penology illuminates the history of social theory. Writing in *American Heritage*, Roger Pray notes that prisons (other than those for political prisoners — the Bastille, the Tower of London) are an American invention.

Before prisons, crimes were redressed by financial corporal or capital punishment. Philadelphia's Walnut Street prison, the first, was a product of Quaker humanitarianism and American liberalism. It reflected the faith that colonial Calvinists were wrong: Man is not basically depraved, and even the bad can be rehabilitated in an environment structured by the new science of penology.

Penology's original optimistic premise that behavioral changes can be programmed produced a quasi-medical approach to the "treatment" of prisoners. This tendency was strengthened by the newfound faith, now much diminished, in the ability to measure personal qualities and behavioral tendencies.

The new science was used to justify vast discretion for "correctional experts" in administering sentences, prisons, parole and probation. This discretion reduced prisoners to the status of laboratory creatures, playthings of theorists. Alcatraz at least had the virtue of treating its prisoners as free moral agents — as bad people, but people.

Alcatraz was the prison system's "big stick." It was not for the most dangerous criminals; it was for the system's most difficult inmates. The haunting horns of passing ships, the rasping calls of swooping sea gulls, the moaning of the

wind through the prison's crevices, all provide a surreal sound track for a movie without movement, confinement with no purpose other than confinement, a torture of unrelied sameness.

Alcatraz was closed in 1963, just as increasing crime was stimulating Americans' impatience with rehabilitation as an aspiration. When Attorney General Robert Kennedy closed Alcatraz, he cited its high cost per prisoner, and its emphasis on retribution rather than rehabilitation. But the fact that the closing pleased J. Edgar Hoover

Hoover, who understood that when



LETTERS TO THE EDITOR

China's Record With Foreign Investors Is Not That Bad

Regarding the report "China Milking Foreign Investors, Study Asserts" (June 18) by Edward A. Gargin:

This article accurately summarizes the problems facing foreign investors as detailed in our background report for a conference of Chinese officials and multinational companies. Yet it leaves a misleading impression by failing to mention other sections of the report that point out the substantial progress China has made since 1979 in creating an attractive investment environment and the improvements being made by Beijing.

Despite the difficulties of initiating foreign investment in a country that is vast, poor and Communist, the record of these first eight years of Chinese-foreign business cooperation is in many respects impressive. By enacting a large body of business legislation, approving many bilateral and multilateral economic treaties and strengthening domestic legal institutions, the People's Republic has established much of the infrastructure that such cooperation requires. More than 8,000 contracts have been concluded, authorizing more than \$20 billion in foreign investment. Roughly \$7 billion of that has already been transferred to China. Although some projects have faltered, often amid publicity, many others have flourished in silence.

To be sure, authorized investment dropped last year by some 50 percent, but much of that was attributable to the failure to find commercial oil reserves offshore and to China's efforts to discourage construction of more hotels while encouraging manufacturing enterprises. Last year witnessed a big rise in the percentage

of new productive enterprises, including a large jump in American ventures.

Our report discusses the measures recently taken by China to help investors cut costs, reduce taxes and repatriate profits, and it offers proposals for resolving some of the administrative and contract problems that have arisen.

Investor countries should ease further their individual and multilateral restrictions on technology transfer to China; make available greater developmental assistance bilaterally and via international organizations; offer tax, financing and other incentives to foster foreign investment; reduce protectionist barriers and enable China to earn more of the foreign exchange that can facilitate foreign investment; expand support for programs for the training and education of Chinese managers, scientists and technicians.

We urge foreign investors to heed not only China's economic potential but also its economic priorities, and channel investment into sectors of interest to China as well as themselves. They should provide technology appropriate for China on reasonable terms; take a long-term view of profits; show as much flexibility and imagination as they expect of the Chinese; allocate managerial and technical personnel to China who are both professionally competent and culturally sensitive; be able and willing teachers; and at the same time be fair and equal partners in what is surely one of the most significant and hopeful efforts at international business cooperation the world has seen.

JEROME ALAN COHEN
and STUART J. VALENTINE
Hong Kong

Not for the Fainthearted

Regarding the opinion column "Now Comes a German Swing to the East," (July 8) by Michel Jobert:

Mr. Jobert declares that both French and Germans have protested that "I didn't know what I was talking about" in suggesting that a reunification of Germany was a real possibility in the future. I would like to repeat that accusation.

Mr. Jobert really has no idea of the wishes of the West German people in this regard — and as for the East Germans, they neither can nor will contemplate such a suggestion.

I have lived in West Germany since 1968. With the exception of a few far-right hotheads, German citizens accept the situation as it stands. Slowly they have come to accept that reunification with East Germany would be an expensive exercise valuable only for the sense of identity it would bring; and with most

West Germans too young to remember a unified Germany, even this excuse no longer holds much water.

The article was valuable, nonetheless, for it demonstrates that whenever France feels economically or socially threatened, there are always politicians ready to wave the threat of a reunified Germany at the rest of Europe. It is an old threat and was once potent, but in the context of the modern integrated Europe it is an impossible dream.

R.A. FLOOD
Darmstadt, West Germany

ELIZABETH YOUNG
London

Germans and Reunification

Regarding the opinion column "Now Comes a German Swing to the East," (July 8) by Michel Jobert:

Mr. Jobert declares that both French and Germans have protested that "I didn't know what I was talking about" in suggesting that a reunification of Germany was a real possibility in the future.

I would like to repeat that accusation. Mr. Jobert really has no idea of the wishes of the West German people in this regard — and as for the East Germans, they neither can nor will contemplate such a suggestion.

I serve as an "oak" to recognize the changes transpiring in Eastern Europe. The undesirability of confrontation should be reason enough to support this initiative. America has not abandoned West Germany; it has simply demonstrated to us Europeans what stance to adopt in the face of Soviet *perekroika*.

This returns the question of German unity to what it should be: a byproduct of a peaceful, freer Europe, from the Atlantic to the Gulf and beyond.

ADOLF SPANGENBERG
Brussels

All of these books are good, for one reason or another, I will not review. I failed to get a copy early enough to fit the schedule. Or I was on vacation when the book came out. Or I didn't have the wit to realize its interest. Or simply, and most commonly: A program of two reviews a week has to leave orphans. Not the books themselves, really, because others will review them. It is the reviewer who feels deprived, like an orphan.

Or like the midwife excluded from her calling. Certainly the book will be delivered, but doesn't it need my own particular wit, compassion or anger to be delivered properly?

Aside from not reviewing these books, I haven't even read them. I want to read them all. Taken up with new candidates, I shall read only some. A growing number line my office walls. Each month I grow more badly read.

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No Swift Resolution In France-Iran Split

International Herald Tribune

PARIS — France and Iran are unlikely to meet an original five-day deadline for the repatriation of embassy staff from each other's capitals, French officials said Tuesday.

The Foreign Ministry originally suggested five days to arrange the diplomats' departure when France broke ties with Iran on Friday, meaning that the evacuation of staffs from the two missions should have been completed on Wednesday.

But the ministry spokesman said that arrangements had not yet been completed, making it "not at all sure and certain" that the deadline could be met. Under the 1961 Vienna Convention governing diplomatic behavior in such cases, the countries concerned are given no precise time limit to arrange repatriation.

Meanwhile, Bernard Bosson, the French junior minister in charge of European affairs, said that the situation was becoming deadlocked.

"We are coming to a state of affairs, one could almost say a matter of honor, that is totally blocking any discussion," Mr. Bosson said in a radio interview.

The crisis was triggered three weeks ago by France's insistence on questioning Wahid Gordji, an interpreter at the Iranian Embassy in Paris, in connection with a series of bomb attacks that killed 13 per-

sons and wounded more than 150 in the city last year. Mr. Gordji does not have diplomatic immunity.

Iran responded by ordering Paul Torri, a French diplomat in Tehran, to appear before an Islamic court to answer charges that include espionage. The staff of both embassies are now confined to their missions' buildings while the two countries seek a solution.

One possible avenue could come in talks in Bonn later this week during a visit by the Iranian foreign minister, Ali Akbar Velayati.

Helmut Schäfer, the West German deputy foreign minister, told Reuters that his country would try to help France seek a peaceful solution to the dispute. "We will stand at its side and try to make the best of the current situation," he said.

West Germany's ambassador in Tehran was part of a three-member European Community delegation that called on the Iranian Foreign Ministry on Monday to ask for the strict observance of usual diplomatic procedure in handling the departure of the 15-member staff of the French Embassy.

According to news reports from Tehran, Ali Mohammed Beheshti, Iran's deputy foreign minister, told the delegation: "We will not submit to pressure and blackmail under any circumstances and we will implement the policy of a blow against a blow toward any country that wishes to violate our rights."

POINDEXTER: Admiral Insists He Told Truth, Inouye Raises Doubts

(Continued from Page 1)

sign," Admiral Poindexter re-

sponded.

He sidestepped several questions

intended to determine the extent of

his knowledge of Colonel North's

activities on behalf of the contras at

a time when Congress had prohibited U.S. military aid to the rebels.

Asked whether he was aware that

Colonel North drew on the assistance of officials of the CIA and the State and Defense departments

during the ban, Admiral Poindexter said the "precise knowledge

that I have on that issue is not

significant enough to give a positive answer."

Before approving Colonel

North's actions generally, Admiral Poindexter said, he did not "micro-manage" what his aide did.

• Said the National Security Council staff was the driving force behind efforts to win the release of the American hostages in Lebanon. He said he did not recall "a single recommendation" from the State or Defense departments "to accomplish those objectives."

• Said he never asked Attorney General Edwin Meese 3d to hold up any FBI or Justice Department

investigations into alleged drug smuggling by the contras.

On his second day of testimony last week, Admiral Poindexter said he had "all along" withheld information from Congress on the affair. On Monday, however, he said he stopped misleading Congress after the affair became public.

In a defiant mood, he also said he had no "regrets for anything that I did."

Admiral Poindexter, who testified under a grant of limited immunity, on Tuesday shrugged off any discrepancies between his testimony and that of other witnesses.

"I can't account for different recollections," he said as Mr. DeWeese asked him about differences between his testimony and that of his predecessor as national security adviser, Robert C. McFarlane.

"I have testified accurately, truthfully, based on my best recollections," Admiral Poindexter said.

Admiral Poindexter's lengthy interrogation began dramatically last Wednesday, when he said he alone had made the decision not to tell President Reagan of the diversion of Iranian arms sales proceeds to the Nicaraguan rebels.

REAGAN: Panel's Report Unlikely to Assail President

(Continued from Page 1)

State George P. Shultz, who is ex-pected to testify for two days.

Attorney General Edwin Meese 3d is to begin his testimony next Tuesday, and Donald T. Regan, the former White House chief of staff, and Defense Secretary Caspar W. Weinberger are to testify sometime next week. No firm date was set for the testimony of James Ratzlaff, a former official of the National Security Council, who was in charge of its most sensitive records.

Mr. Inouye said he thought it was "unfortunate" that Mr. Reagan "will finish his term with a significant number of people questioning his veracity" and said it had weakened Mr. Reagan to the point that continued U.S. aid to the Nicaraguan rebels was unlikely to be approved by Congress this fall.

Mr. Rudman said the Iran-contra affair "the only major blemish on his presidency" and said he still expected Mr. Reagan to achieve significant successes in the arms control and budget fields.

Mr. Inouye did not hesitate to say he thought it "outrageous" that Mr. Reagan let Admiral Poindexter resign and Lieutenant Colonel Oliver L. North, the former National Security Council aide, be dismissed in November without demanding a direct explanation from them of their actions.

However, Mr. Inouye said the committee was not inclined to make such judgments in its report.

He said the Soviet Union moved missiles into Cuba following the domestic uproar over the Bay of Pigs fiasco during the administration of John F. Kennedy, that the Soviet leader Leonid I. Brezhnev "moved into the Middle East" when Richard M. Nixon was fighting Watergate impeachment efforts and the Soviet Union invaded Afghanistan while Jimmy Carter was bogged down in the Iranian hostage affair.

Mr. Inouye said he had hoped from the first that the committee would "never come across a smoking gun" linking Mr. Reagan to the diversion of funds, because "these two committees as they are now would just pyramid the problem," he said.

Mr. Rudman said he favored such a proposal only if it allowed equal numbers of members from both parties and had a small membership and staff. "Merging the two committees as they are now would just pyramid the problem," he said.

These appear to have disagreements themselves. Mr. Inouye said he thought "the time may be coming to scrap the separate House and Senate intelligence committees and create a single, small, joint committee — a step several Reagan administration officials have urged as a way of reducing leaks."

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ARTS / LEISURE



A Frankfurt dancer performing "Artifact."

Forsythe: Ballet Sound and Flurry

By Anna Kisselgoff

New York Times Service

NEW YORK — The rule of thumb is that a choreographer works best with his own company, the dancers with whom he is most familiar. There is no reason to doubt that the rule holds true as well for William Forsythe and the Frankfurt Ballet, the West German company headed by the American choreographer since 1984.

Nonetheless, one doesn't regret having seen the works produced by Forsythe in his freelance days during the early 1980s, most notably "Time Cycle," "Love Songs" and "Say Bye-bye." These pieces were always well danced, and their eye-catching emphasis was on Expressionist or pop imagery to treat a theme of alienation. "Say Bye-bye," for instance, spectacularly used Elvis Presley recordings and other elements of 1950s popular culture to offer a critique of that very culture. But if one looked behind the aggressively theatrical surface, it was obvious that a choreographer with a complex sense of formal substructure was at work here.

"Say Bye-bye," created in 1980, looks very different from "Artifact," the two-hour Forsythe work with which the Frankfurt Ballet made its U.S. debut at the Pepsico Summerfest in Purchase, New York, this month. Yet, even "Say Bye-bye" contained a clue to the ideas behind "Artifact." Both deal in disparate ways with how we perceive things around us, be it a social environment or the nature of language. More interestingly, both focus on a limited number of moves

that serve as themes for a large number of choreographic variations. The audience may not be aware of this; Forsythe dancers are as apt to do the same step lying down as standing up or in interacting units that keep the eye busy.

The male-female violence that permeated "Love Songs" has now been sublimated into screaming on philosophical themes. The heart

man with a bullhorn and a woman in an Elizabethan gown, wander through most of the production. The difficulty with "Artifact" is the proportion of spoken text in relation to the danced passages. Forsythe is at his best when he simply choreographs. The proof lies in more recent works or in section, the asbestos fire curtain drops down with a heavy thud.

The male-female violence has been sublimated into screaming on philosophical themes.

of "Artifact" is the passage that has the least interruptions: the stunning second section, with a corps in yellow spread out as a three-sided frame for two couples who dance to the Chaconne from Bach's Partita No. 2 in D Minor. During this same excerpt that have grown out of ideas contained in "Artifact" and similar ballets (one thinks of his superb "New Sleep" in January for the San Francisco Ballet). Trustworthy account rate. "In the Middle, Somewhat Elevated," created in May for the Paris Opera Ballet, as exceptional.

Nobody talks in these latest works. But they do in "Artifact," when Forsythe is obviously exploring his earlier interest in the writings of French post-Structuralist literary theorists. One says "obviously" because in later pieces he plays the piano pieces

Reportedly, the piano pieces played by Eva Crossman-Hecht are variations on the Chaconne (perception is really put to the test here), and in the third section, a

When it rises, the dancers have regrouped (this occurs several times). The music continues, and the viewer has filled in the lacuna with an afterimage that Forsythe demolishes when the curtain goes up again within the minute. The dancers have regrouped and the stage picture has changed.

And so, the supposed nonsense of the text spoken by the actors begins to make sense. The talk is of "stepping inside" or "outside," of remembering and forgetting, of seeing what you think you see and so on. One doubts one's ability to perceive; the theme of the work is epitomized in the fragmentation of its four sections. In its aggressiveness toward the audience, the ballet makes the point it discusses.

Reportedly, the piano pieces played by Eva Crossman-Hecht are variations on the Chaconne (perception is really put to the test here), and in the third section, a

series of freestanding panels with drawings fall. Each time, a woman is revealed behind, and we begin to doubt whether we are seeing the same woman or three.

How does the vocabulary of dance function? That is the question Forsythe asks, but he does not necessarily do so through dance itself. His choreographic theme is stated by a barefooted woman, whose arm gestures are repeated occasionally by others but whose legs — the women are on toe — seem to act in counterpoint. The simultaneous duets in the second section and one in the third are virtuosic partnering feats. We can admire these isolated passages, but we are asked by the choreographer to question our own perception of what is before us.

In a conversation last January, Forsythe said he had been reading Michel Foucault's "Archaeology of Knowledge," while working on "Artifact." He was interested, he said, in how architecture conceals (much of the dancing here is in an obscure light, with the performers barely visible). "The nature of history is to conceal as well as to preserve," the choreographer said.

"Artifact" may well derive from such concepts transposed to a ballet stage, and the post-Structuralist critics' use of words like "outside" to signify nonverbal references that affect language may be concealed from the audience. The choreographer can say that the audience need not bother about his theoretical inspiration and should look just at the dancing. But when a woman keeps screaming the jargon at you, she is hard to ignore. Moral: Less screaming, more dancing.

By Sheridan Morley

International Herald Tribune
ESSET BY A million-pound deficit (about \$1.6 million), the Royal Shakespeare Company is commendably determined not to let it show. Within the past few days they have opened major new productions on two stages in London and one in Stratford, which brings their total up to almost 50 in nine theaters during the current season.

The RSC openings give some idea of the range of their ambitions and also suggest some of the problems that come with them. At Stratford there's a "Jew of Malta" on the Swan stage which is a constant delight but begs to be efficiently cross-cast with the Antony Sher "Merchant of Venice." At the Mermaid, there's a staging of "They Shoot Horses, Don't They?" which would look vastly stronger if so much of the company's strength had not disappeared into "Les Misérables" and "Kiss Me, Kate," leaving precious little for their third major musical in less than two years.

And on the Barbican main stage, there's a new Jean Genet season starting with "The Balcony" in what looks like a dast-gesture of defiance; neither the play nor

I would guess, the understandably limited number of Genet addicts who have a hope of fully occupying that cavernous space for too long.

Terry Hands first directed "The

set against a jokily nudging series of confrontations at which Turkish delight is served to the Turks while modern-dressed paratroopers storm the barricades. True, Christopher Marlowe was no Shakespeare, and his play is forever falling apart at the seams, only to have to be kicked back to life by some new and still more devilish villainy.

Yet a company of rampaging monkeys and doomed nuns manage to keep a ramshackle plot moving swiftly enough, and the result is a memorably black farce in which greed and revenge are raised to the level of a national pastime. Unlike

"The Merchant of Venice" ("The

Jew of Malta") (written about eight years earlier in 1588) has no saving grace in paternal love. It is a celebration of sheer and total evil in utter confusion, and the joy with which the Swan company falls on it suggests that they should soon

maybe cross the road to The Other Place and start on a Joe Orton season as well.

There also seems to be a central

uncertainty in Ron Daniels's produc-

tion about whether we are into

showbiz nostalgia or social realism.

McCoy's novel was about the

unacceptable face of mass enter-

tainment in a depression; it was about the ghoulish audiences and the corrupt managers as well as the

desolate hopefuls who danced on,

literally blistering pain, towards

the elusive dream of a place in the

world around it.

Genet once said that he wanted

all the characters played by Grock;

what he has got at the Barbican instead is an uneasy assembly of

middle-range character actors led by Dilys Laye and Joe Melia in a

huge set and a great many unwieldy

costumes, suddenly aware that

what they are trying to put across is

not bother about his theoretical in-

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the dancing. But when a woman

keeps screaming the jargon at you,

she is hard to ignore. Moral: Less

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□

"They Shoot Horses, Don't They?" works a great deal better,

of working-class behavior in a crisis and he gradually retreats into a lost world of Orwell and the Spanish civil war. Though inclined to get a little repetitive after the interval, Edgar's writing has a kind of elegant exhaustion which is perfectly mirrored by most of the performances in Michael Attarborough's production, notably Oliver Conon as the don and Caroline Berry and Catherine Tregenna as the teenage girls whose agonies of embarrassment have to do with a generation gap realization that trendy parental relics from the 1960s are unlikely to solve a national crisis 20 years on. This is the most literate and coherent play yet to emerge from that all-changing strike.

This year's London International Festival of Theatre got off to a waterlogged start with the Catalonian "Tempest," a production which soaked audiences in rain before being closed by local authorities who reckoned residents in the Sadler's Wells area were not ready for such dramatic street-theater. Better luck, however, at Stratford East, where "Project" from the Caribbean Housing development in Chicago turned out to be an explosion of streetwise music and dance both celebrating and (in video interviews) condemning an urban jungle in the manner of raw, rough and ready reports from what is evidently still a war zone.

Back in London, the Hampstead Theatre has a new play by David Edgar called "That Summer" and concerned with the the 1984 miners' strike or rather its effect on one married couple, an idealistic Oxford history don and his second wife, who decide to invite two miners' daughters to spend the holiday with them. The girls fail to conform to the don's preconceived notions of what is before us.

At Stratford, Barry Kyle's rich and rare revival of "The Jew of Malta" builds to a marvelously bloody and smoky conclusion, winding its joyful way through a Machiavellian plot of tortuous evil as the title character lurches from political intrigue to mass murder before finally being burnt alive in the pit he has himself dug out of a determination to destroy all other characters and religions in his path. Whether poisoning an entire convent or merely arranging for the cannibalization of the Turkish Army, Alain Armstrong's Barabas is a caricature of racial intolerance surrounded by John Carlisle and an assembly of apparently upright Maltese knights who turn out at the last to be even more corrupt than the Jew himself.

But the performances and the

production tend to exist on a knife-edge between parody and textual

discovery: bluff and double-bluff,

Maltese cross and countercross are

set against a jokily nudging series of confrontations at which Turkish delight is served to the Turks while modern-dressed paratroopers storm the barricades. True, Christopher Marlowe was no Shakespeare, and his play is forever falling apart at the seams, only to have to be kicked back to life by some new and still more devilish villainy.

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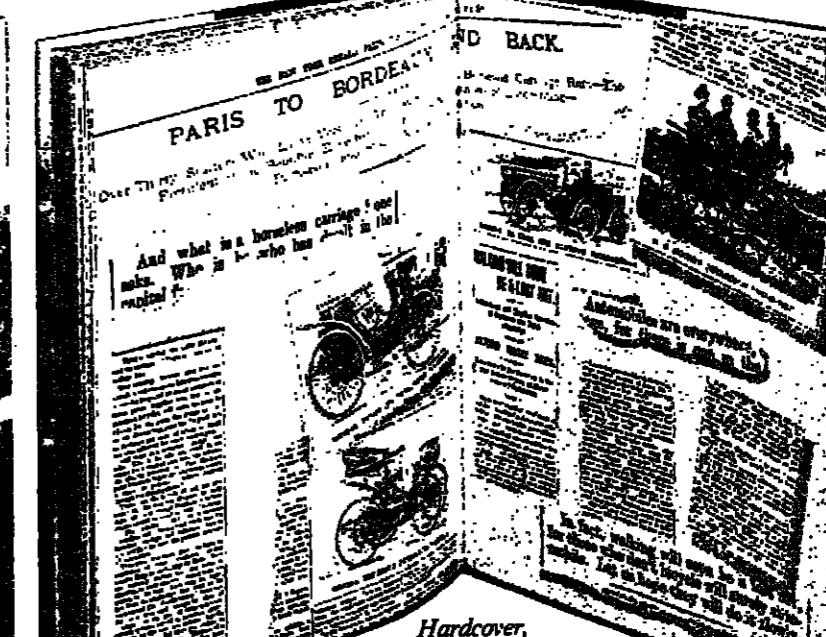
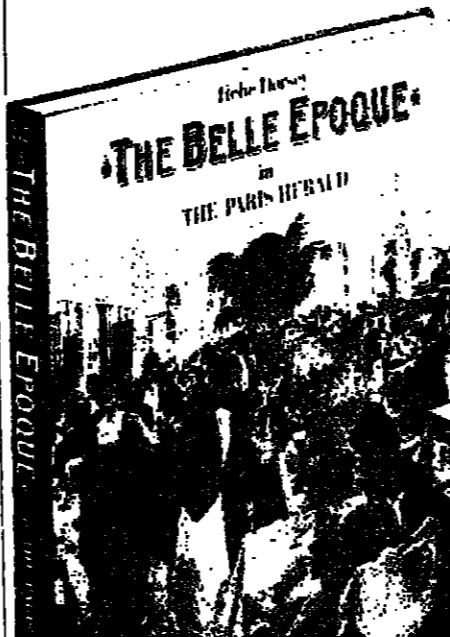
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Petrom	2500	1%	1%	1%	-1%
SFS Corp.	23414	1%	1%	1%	-1%
AmeriTel	21200	1%	1%	1%	-1%
AmTel	21200	1%	1%	1%	-1%
CdnPac	17210	2%	2%	2%	-1%
NEC	16900	1%	1%	1%	-1%
Corso	16100	1%	1%	1%	-1%
Telstra	15900	1%	1%	1%	-1%
WCNA	15014	1%	1%	1%	-1%
SBP Inc.	14914	1%	1%	1%	-1%
Polsard	14501	3%	3%	3%	-1%

Market Sales					
NYSE 4 p.m. volume	184,570,000				
NYSE prev. day's close	199,202,200				
Ameri 4 p.m. volume	12,100,000				
Ameri 4 p.m. close	12,100,000				
OTC 4 p.m. volume	150,229,400				
OTC 4 p.m. close	150,229,400				
NYSE up	46,999,200				
NYSE down	122,104,210				
Ameri up	5,940,075				
Ameri down	10,000,000				
OTC up	47,000,000				
OTC down	47,000,000				

NYSE Index					
Composite	178.44	172.41	172.59	-1.97	
Industrials	212.63	213.68	212.68	-1.97	
Trans.	182.95	182.99	182.99	-0.77	
Utilities	152.27	158.99	158.99	-0.39	
Finance	152.27	158.99	158.99	-0.39	

Tuesday's NYSE Closing					
Advanced	231	231	231	-1	
Declined	232	232	232	-1	
Unchanged	231	231	231	-1	
Total Issues	231	231	231	-1	
New Highs	61	61	61	-1	
New Lows	20	20	20	-1	

Dow Jones Bond Averages					
Class	High	Low	Prev.	Chg.	
Bonds	85.52	85.32	-0.32	-0.32	
Utilities	85.30	85.20	-0.32	-0.32	
Industries	85.20	85.20	-0.32	-0.32	

NYSE Diary					
Advanced	494	510			
Declined	1,087	1,088			
Unchanged	1,000	1,000			
Total Issues	2,181	2,176			
New Highs	61	61			
New Lows	20	20			

Odd-Lot Trading in N.Y.					
Buy	21,400	20,500	2,900		
Sales	21,400	20,500	2,900		
Buy/Sales	21,400	20,500	2,900		
July 20	21,400	20,500	2,900		
July 19	20,500	20,500	2,900		
July 18	20,500	20,500	2,900		
July 17	20,500	20,500	2,900		
July 14	20,500	20,500	2,900		
July 13	20,500	20,500	2,900		
July 12	20,500	20,500	2,900		
July 11	20,500	20,500	2,900		
July 10	20,500	20,500	2,900		
July 9	20,500	20,500	2,900		
July 8	20,500	20,500	2,900		
July 7	20,500	20,500	2,900		
July 6	20,500	20,500	2,900		
July 5	20,500	20,500	2,900		
July 4	20,500	20,500	2,900		
July 3	20,500	20,500	2,900		
July 2	20,500	20,500	2,900		
July 1	20,500	20,500	2,900		
June 30	20,500	20,500	2,900		
June 29	20,500	20,500	2,900		
June 28	20,500	20,500	2,900		
June 27	20,500	20,500	2,900		
June 26	20,500	20,500	2,900		
June 25	20,500	20,500	2,900		
June 24	20,500	20,500	2,900		
June 23	20,500	20,500	2,900		
June 22	20,500	20,500	2,900		
June 21	20,500	20,500	2,900		
June 20	20,500	20,500	2,900		
June 19	20,500	20,500	2,900		
June 18	20,500	20,500	2,900		
June 17	20,500	20,500	2,900		
June 16	20,500	20,500	2,900		
June 15	20,500	20,500	2,900		
June 14	20,500	20,500	2,900		
June 13	20,500	20,500	2,900		
June 12	20,500	20,500	2,900		
June 11	20,500	20,500	2,900		
June 10	20,500	20,500	2,900		
June 9	20,500	20,500	2,900		
June 8	20,500	20,500	2,900		
June 7	20,500	20,500	2,900		
June 6	20,500	20,500	2,900		
June 5	20,500	20,500	2,900		
June 4	20,500	20,500	2,900		
June 3	20,500	20,500	2,900		
June 2	20,500	20,500	2,900		
June 1	20,500	20,500	2,900		
May 31	20,500	20,500	2,900		
May 30	20,500	20,500	2,900		
May 29	20,500	20,500	2,900		
May 28	20,500	20,500	2,900		
May 27	20,500	20,500	2,900		
May 26	20,500	20,500	2,900		
May 25	20,500	20,500	2,900		
May 24	20,500	20,500	2,900		
May 23	20,500	20,500	2,900		
May 22	20,500	20,500	2,900		
May 21	20,500	20,500	2,900		
May 20	20,500	20,500	2,900		
May 19	20,500	20,500	2,900		
May 18	20,500	20,500	2,900		
May 17	20,500	20,500	2,900		
May 16	20,500	20,500	2,900		

WEDNESDAY, JULY 22, 1987

MADISON AVENUE

Y&R Forms 3-Way Venture With Japan, Paris Partners

By PHILIP H. DOUGHERTY
New York Times Service

NEW YORK — Young & Rubicam's two joint ventures with foreign agencies have been merged to form a three-way venture whose other partners are Denstu of Japan, the world's largest agency, and Paris-based Eurocom, the largest agency on the Continent. Y&R is America's No. 1.

The result is HDM, with more than \$1 billion in billings and 41 offices in 14 countries. The partners say they believe that makes it the world's 17th-largest agency.

The two agencies that merged were DVR, which was formed in 1981 with Denstu and had been serving as Y&R's arm in Asia, and HCM, which resulted from the merger of Marsteller, a Y&R subsidiary, with Havas Conseil, a Eurocom unit.

Tim Pollak, 41, the former head of DVR, will be president and chief executive of HDM. Robert Schmetterer, who headed HCM, will be a consultant to the company while, he said, he is "looking at entrepreneurial possibilities."

The other chief officers of HDM are Alain de Pouzilhac, chairman and former head of HCM, Europe, and Shimizu Ueno, who will continue as executive vice president and area director in Southeast Asia.

In the United States, Eurocom and Denstu will be majority owners; in Europe, Eurocom will be majority owner, and in Asia, Young & Rubicam and Denstu will hold the lion's share.

The companies said that Y&R had grown to \$347 million in billings in 1984, from less than \$100 million when it was founded, while HCM has gone to \$720 million, from around \$500 million.

In another merger, Ted Bates Worldwide and Becker & Spielvogel, both subsidiaries of Saatchi & Saatchi Co. of London, have joined forces. Carl Spielvogel, 58, chairman and chief executive of the company bearing his name, will carry the same titles at Becker Spielvogel Bates Worldwide. Donald M. Zucker, 53, former chairman and chief executive of Bates, will become president and chief operating officer. William M. Becker, 60, will go from president of Becker & Spielvogel to vice chairman and executive creative director of the new firm.

The merged firm will be made up of two operating companies, Becker Spielvogel Bates in the United States and Ted Bates International overseas. It will have 104 offices in 46 countries and \$2.7 billion in billings, and will be one of two worldwide Saatchi networks, the other being Saatchi & Saatchi Advertising Worldwide, created last month by the merger of Saatchi & Saatchi Compton and DFS Dorland Worldwide. The Saatchi & Saatchi parent is the world's biggest advertising holding company.

David M. Smick, 33, and Richard H. Medley, 35, partners in Smick & Medley & Associates, Washington-based economic consultants, are now additionally co-publishers of *The International Economy* magazine, which will be published six times a year. It will be what they consider to be a much needed "written forum for the international policy debate."

The first issue will be hand-delivered to delegates at the International Monetary Fund and World Bank meeting in Washington scheduled for Sept. 27 to Oct. 3, and mailed to others. Circulation is expected to be 25,000.

People

- Thomas E. Gandy, 49, was promoted to senior vice president, McCann-Erickson.
- George P. Zuckerman and Walter C. Lautz were elected senior vice presidents of N.W. Ayer Inc.
- Peter de Vaux has been promoted to senior vice president chief financial officer of ChatDay.
- Nina Palmer has been elected an executive vice president of Doremus Porter Novelli.

Currency Rates

Cross Rates									
Amsterdam	\$	E.	D.M.	F.F.	ILL.	G.M.	S.P.	Yen	
Brussels (e)	2,004	—	2,005	—	1,000	—	4,000	—	127.45
Frankfurt	1,074	2,777	—	2,005	—	1,000	—	4,000	—
London (d)	1,294	—	2,795	1,973	2,400	3,203	5,125	2,605	24,195
Paris	1,343.10	2,254.30	722	2,175	—	420.44	3,485	3,800	6,250
New York	—	0.624	1.200	0.720	1.340	0.205	2,354	1,600	15.15
Tokyo	1,920	3,271	812	2,459	1,200	1,200	1,500	1,500	14.54
Zurich	1,5445	2,6754	2,400	2,400	1,200	1,200	1,200	1,200	4,000
1 ECU	1,174	—	2,000	1,937	1,000	2,000	4,000	1,200	19.125
1 SDR	1,095	—	2,000	1,937	1,000	2,000	4,000	1,200	19.125

Currencies in London and Zurich, Rates in Other European Centers, New York rates of 4 P.M.

(a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) not quoted (h) not available

(i) To buy one pound: 14.134.000

Interest Rates

Eurocurrency Deposits									
1 month	6% - 6%	Dollar	D-Mark	French	Swiss	British	ECU	SDR	
2 months	6% - 6%	2 months	2 months	2 months	2 months	7% - 7%	7% - 7%	5%	
3 months	6% - 6%	3 months	3 months	3 months	3 months	7% - 7%	7% - 7%	5%	
4 months	6% - 6%	4 months	4 months	4 months	4 months	7% - 7%	7% - 7%	6%	
1 year	6% - 6%	6 months	6 months	6 months	6 months	7% - 7%	7% - 7%	6%	

Key Money Rates July 21

Asian Dollar Deposits									
1 month	6.6% - 6.6%	1 month	6.6% - 6.6%	1 month	6.6% - 6.6%	1 month	6.6% - 6.6%	5%	
2 months	6.6% - 6.6%	2 months	6.6% - 6.6%	2 months	6.6% - 6.6%	2 months	6.6% - 6.6%	5%	
3 months	6.6% - 6.6%	3 months	6.6% - 6.6%	3 months	6.6% - 6.6%	3 months	6.6% - 6.6%	5%	
4 months	6.6% - 6.6%	4 months	6.6% - 6.6%	4 months	6.6% - 6.6%	4 months	6.6% - 6.6%	5%	
1 year	6.6% - 6.6%	6 months	6 months	6 months	6 months	7% - 7%	7% - 7%	6%	

U.S. Money Market Funds									
1 month	7.17%	2 months	7.17%	3 months	7.17%	4 months	7.17%	5 months	7.17%
6 months	7.17%	1 year	7.17%	2 years	7.17%	3 years	7.17%	4 years	7.17%
5-year	7.17%	10-year	7.17%	20-year	7.17%	30-year	7.17%	40-year	7.17%
30-year	7.17%	40-year	7.17%	50-year	7.17%	60-year	7.17%	70-year	7.17%

Gold									
July 21	A.M.	P.M.	COT						
Hong Kong	425.20	424.15	+2.10						
Luxembourg	425.20	424.20	+2.10						
Paris (12.5 kilo)	425.20	424.20	+2.10						
London	425.20	424.20	+2.10						
New York	—	425.20	+2.10						

Interest Rates July 21

Interest rates (in percent)

Source: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

**Tuesday's
NYSE
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

**Reaching More
Than a Third of a
Million Readers
in 164 Countries
Around the World.**

12 Month		Stock	DIV.	Yld.	PE	Sls.	100s	High	Low	Class	Quot.	Chg.
55%	30%	UnTech	1.40	.27	43	4270	5414	5244	5234	-13		
31%	24%	UnTele	1.72	.68	19	4150	2616	2616	2514	+5		
20%	18%	UnivRes	2.00	.15	19	112	2016	2016	1916	+1		
22%	19%	UnivRes	2.00	.09	41	7712	1176	1176	216	+2		
30%	28%	UnivFds	.88	.11	14	59	2616	2616	2516	+1		
33%	31%	UnivHn	1.60	.69	11	92	576	576	576	-1		
33%	31%	UnLect	1.16	.15	10	125	332	332	332	+1		
23%	13%	UMich e	1.00	.24	23	3002	4216	4144	4144	-1		
43%	15%	Uncorac	.76	.28	10	100	454	454	454	-1		
50%	27%	UnionS	.40	.13	50	5084	1216	1216	1216	-1		
49%	34%	USLIFE	1.30	.31	9	356	397	397	384	+1		
12%	10%	Usp	1.00	10.2	17	34	1016	1016	1016	-1		
77%	22%	UtopPL	2.32	.96	17	1066	2412	2412	2412	-1		
23%	18%	UTICo S	1.00	.24	10	100	2016	2016	2016	-1		
29%	27%	UTICo pr	2.61	.94	11	5	2712	2712	2712	-1		
V												
44%	28%	VFCp	.72	1.7	20	1498	572	42	42	+1		
13%	2%	Vulhi	.65	.11	13	112	1216	1216	1216	-1		
13%	6%	Vulero	.20	.13	10	2746	1316	1216	1216	-1		
28%	18%	Vulerpl	1.44	12.5	2	274	274	274	274	-1		
24%	20%	Vulngn	4.70	2.8	1	173	2416	2416	2416	-1		
3%	1%	Vulney	1.00	.23	15	91	231	231	231	-1		
37%	27%	Vundrn	1.15	3.3	15	51	1216	1216	1216	-1		
6%	1%	Vurco	.73	.16	14	546	354	354	354	-1		
30%	22%	Vurco	.26	.7	5	5009	294	214	214	-1		
2%	1%	Vurity	.11	.11	1	54	18	172	172	+1		
18%	15%	Vutirv	1.30	7.2	21	87	174	174	174	-1		
17%	12%	Vuro	.48	2.3	21	253	2016	2016	2016	-1		
22%	15%	Vuro	4.0	20.2	26	11	616	616	616	-1		
15%	5%	Vusse	1.20	9.5	16	1276	1216	1216	1216	-1		
8%	4%	Vutse	.50	.45	4	57	454	454	454	-1		
9%	7%	Vutse	7.45	8.7	24	2402	836	836	836	-1		
27%	17%	Vishay	1.52	6.7	15	151	1516	1516	1516	-1		
34%	67%	Vitnord	1.9	.17	95	94	94	94	94	-1		
153%	101%	Vulcm	3.40	2.3	17	28	1494	1494	1494	-1		
W												
44%	34%	WICOR	2.60	7.1	14	20	3636	3636	3636	-1		
7%	5%	WIMS	.16	.16	16	716	716	716	716	-1		
49%	49%	WirkR pt	4.50	8.3	19	1910	554	544	544	-1		
11%	11%	Wockhi	4.50	.37	40	3416	24	24	24	-1		
8%	4%	Woinoc	.10e	1.3	10	870	816	8	8	-1		
37%	19%	WolMts	1.00	.43	43	8546	3712	3712	3712	-1		
2%	2%	Wolm	.54	13	22	884	4716	4716	4716	-1		
50%	37%	WolCsv	.40	1.4	14	8511	5746	5746	5746	-1		
59%	32%	WolffJ	1.00	.59	14	30702	1716	1694	1694	-1		
14%	10%	WolffJ pf	1.00	.59	14	120	1216	1216	1216	-1		
122%	73%	Womrc	.40	1.1	24	3813	3616	3546	3546	-1		
35%	24%	Womrc	1.62	1.62	16	796	607	606	606	-1		
68%	42%	WormL	1.80	2.3	21	2117	784	774	774	-1		
79%	52%	WormL	1.80	2.3	21	73	2516	2516	2516	-1		
30%	20%	WormH	.60	.6	146	936	946	946	946	-1		
14%	20%	WostNcl	1.00	1.4	11	105	32	31	31	-1		
31%	22%	WostNv	2.40	9.3	66	209	2616	2616	2616	-1		
42%	22%	Woste s	.36	.36	23	9430	4716	4716	4716	-1		
42%	36%	Wotkin	.40	1.3	16	42	116	116	116	-1		
34%	17%	WootnU	.20	.13	13	11	2416	2416	2416	-1		
26%	17%	WoeRns	.20	.13	13	11	2129	2129	2129	-1		
28%	24%	WoeRns	.44	1.2	28	82	3916	3916	3916	-1		
30%	22%	WellsF	5.56	5.5	16	1530	5456	5456	5456	-1		
52%	44%	WelfP	2.70	5.7	75	574	574	574	574	-1		
14%	17%	WellPM	1.00	10.2	10	84	1946	1946	1946	-1		
22%	9%	Wendys	.20	.23	22	2262	1016	1016	1016	-1		
22%	12%	West s	.28	1.4	19	90	2016	2016	2016	-1		
72%	45%	WestPIP	2.50	3.5	14	180	24	24	24	-1		
15%	8%	WestSc	.80	.80	14	27	1216	1216	1216	-1		
1%	1%	WCNA	.59	.12	12	59	1216	1216	1216	-1		
12%	3%	WCNA pf	.59	.12	12	112	116	116	116	-1		
16%	14%	Wcf	.50	.12	12	78	2116	2116	2116	-1		
24%	24%	WcfL	2.4	1.1	12	349	456	456	456	-1		
5%	3%	WcfL	.50	.12	12	5	25	25	25	-1		
10%	2%	WcfL pte	.50	.12	12	16	94	94	94	-1		
15%	2%	WcfL pte	.50	.12	12	41	94	94	94	-1		
50%	31%	WcfS	1.72	2.4	14	5486	4546	4546	4546	-1		
54%	31%	WcfS	1.00	2.3	21	455	4716	4716	4716	-1		
60%	30%	WcfS	1.20	1.20	21	3121	4716	4716	4716	-1		
48%	45%	WcfW	2.22	5.6	40	4643	4652	4652	4652	-1		
101%	78%	WcfW	5.75	8.0	17	1627	3616	3616	3616	-1		
71%	52%	WcfWp	.20	.13	16	317	916	916	916	-1		
28%	17%	WcfWpL	.20	.13	16	1002	25	25	25	-1		
23%	13%	WcfWpL pf	.20	.13	16	2802	2116	2116	2116	-1		
23%	13%	WcfWt	1.10	1.2	13	254	35	35	35	-1		
29%	21%	Wchilf	.40	.13	16	40	2106	2106	2106	-1		
18%	18%	Wchilf	.40	.13	16	29	3716	3716	3716	-1		
38%	26%	Wchilf	.40	1.0	101	45	616	616	616	-1		
14%	5%	Wchilf	.12	1.8	14	45	616	616	616	-1		
22%	8%	WchilfG 3	1.60	3.9	17	101	2616	2616	2616	-1		
36%	17%	WchilfW	1.40	3.9	17	1027	3616	3616	3616	-1		
81%	47%	WchilfW	.45	.13	16	79	1126	1126	1126	-1		
59%	42%	WchilfW	1.80	40	18	175	47	47	47	-1		
15%	15%	WchilfW	1.80	40	18	125	1116	1116	1116	-1		
5%	2%	WchilfW	.40	14	15	53	34	34	34	-1		
32%	23%	WchilfS	.11	.11	107	2416	2416	2416	2416	-1		
40%	27%	WicsP	3.12	6.5	11	280	2616	2616	2616	-1		
31%	21%	WicsP	1.12	2.7	14	525	4116	4116	4116	-1		
47%	31%	Wifco	1.12	2.7	14	45	116	116	116	-1		
14%	8%	WifcoW	.50	.13	16	101	2616	2616	2616	-1		
57%	37%	Wifhns	1.32	2.3	16	1760	3616	3616	3616	-1		
7%	2%	Wifhns	1.32	2.3	16	121	47	47	47	-1		
19%	14%	Wifhns	1.04	2.0	19	422	53	5216	5216	-1		
54%	41%	Wifhns	1.04	2.0	19	45	25	25	25	-1		
3%	1%	Wifhns	.22	2.0	23	607	1616	1616	1616	-1		
18%	11%	Wifhns	.20	1.1	14	16	1916	1916	1916	-1		
24%	16%	Wifhns	.20	1.1	14	16	1916	1916	1916	-1		
X												
81%	48%	Xerot	3.00	4.1	18	111616	7616	7316	7316	-1		
50%	54%	Xerot pf	5.45	9.8	34	5556	5572	5572	5572	-1		
26%	21%	XTRA	4.4	2.3	66	2516	2516	2516	2516	-1		
Y												
27%	15%	Yorkin	1.3	3.6	2616	2616	2616	2616	-1			
Z												
71%	21%	Zapata	.40	1.1	19	1422	3024	3024	3024	-1		
14%	14%	Zayre	.40	3.1	8	6	1216	1216	1216	-1		
14%	14%	Zayre	.40	3.1	8	1216	1216	1216	1216	-1		
16%	16%	Zenith	.40	1.1	19	1422	3024	3024	3024	-1		
13%	12%	Zenob	.36	2.1	17	201	2116	2116	2116	-1		
28%	16%	Zurnin s	.36	2.1	17	201	2116	2116	2116	-1		
10%	8%	Zwieg n	4.56	4.4	1014	1014	1016	95	95	-1		

U.S. Futures

Via The Associated Press

U.S. Futures								
Via The Associated Press								
July 27								
Season	Season	Open	High	Low	Close	Chg.		
High	Low						Prev. Day	Open Int.
Grains								
WHEAT (CBT)								
\$5,600/bu minimum-dollars per bushel								
3.16 1/2	2.22 1/2	Jul	2.22 1/2	2.50 1/2	2.48	2.49	- .04	
3.18	2.33	Sep	2.38	2.59 1/2	2.54 1/2	2.54 1/2	+ .03	
3.25	2.47 1/2	Dec	2.47 1/2	2.44 1/2	2.45	2.47	+ .02	
3.25	2.53	Mar	2.74	2.74 1/2	2.44 1/2	2.71	+ .11	
3.15	2.44 1/2	May	2.68	2.67	2.67	2.64 1/2	+ .02	
2.85	2.55 1/2	Jul	2.57 1/2	2.57 1/2	2.54	2.54	+ .01	
Est. Sales								
Prev. Sales	5,000							
Prev. Day Open Int.	35,225	up 42						
CORN (CBT)								
\$4,000/bu minimum-dollars per bushel								
2.27	.54	Jul	.54	1.64	1.59 1/2	1.60 1/2	+ .03	
2.27	.57	Sep	1.48	1.48 1/2	1.42 1/2	1.45	+ .03	
2.16	1.43 1/2	Dec	1.74	1.74 1/2	1.71 1/2	1.72 1/2	+ .05	
2.22 1/2	1.74	Mar	1.85	1.85	1.81 1/2	1.82 1/2	+ .04	
2.25 1/2	1.74	May	1.90	1.90	1.86 1/2	1.87 1/2	+ .04	
2.26 1/2	1.88	Jul	1.92	1.92 1/2	1.88 1/2	1.89 1/2	+ .01	
Est. Sales								
Prev. Sales	29,136							
Prev. Day Open Int.	115,131	up 46						
SOYBEANS (CBT)								
\$2,000/bu minimum-dollars per bushel								
6.04	4.77	Jul	5.54 1/2	5.5	5.41	5.48	+ .06	
6.01 1/2	4.75 1/2	Aug	5.37	5.39	5.27	5.39 1/2	+ .02	
6.14 1/2	4.64 1/2	Sep	5.28	5.28 1/2	5.14 1/2	5.19 1/2	+ .01	
6.24 1/2	4.60 1/2	Nov	5.31 1/2	5.31 1/2	5.19	5.22	+ .03	
6.23	4.64 1/2	Jan	5.40 1/2	5.40 1/2	5.25 1/2	5.34 1/2	+ .09	
6.42 1/2	4.74	Mar	5.45 1/2	5.45 1/2	5.34 1/2	5.45 1/2	+ .01	
6.50	4.76	May	5.55	5.55	5.44 1/2	5.49 1/2	+ .11	
6.50 1/2	4.88 1/2	Jul	5.57	5.57	5.44 1/2	5.57	+ .01	
6.46	5.28	Aug	5.43	5.43	5.43	5.43	+ .02	
Est. Sales								
Prev. Sales	34,452							
Prev. Day Open Int.	79,717	off 133						
SOYBEAN MEAL (CBT)								
100 lbs-dollars per ton								
195.40	134.50	Jul	175.40	175.40	171.50	172.10	+ .40	
193.60	134.10	Aug	172.40	172.70	165.00	164.10	+ .20	
193.70	132.40	Sep	163.10	164.00	162.00	162.00	+ .20	
194.00	132.50	Oct	161.00	161.50	159.00	159.50	+ .50	
194.70	132.00	Dec	162.00	162.50	160.50	160.50	+ .50	
197.00	133.50	Mar	163.00	163.00	160.00	161.00	+ .20	
199.00	135.00	May	164.50	164.50	161.00	162.90	+ .10	
198.00	135.50	Jul	164.50	164.50	162.00	162.00	+ .00	
198.00	159.00	Aug						
Est. Sales								
Prev. Sales	15,526							
Prev. Day Open Int.	49,704	up 1,043						
SOYBEAN OIL (CBT)								
60,000 lbs-dollars per 100 lbs								
18.70	14.55	Jul	15.88	15.88	15.53	15.67	+ .02	
18.40	14.46	Aug	15.90	15.90	15.63	15.75	+ .02	
18.25	14.48	Sep	14.11	14.11	14.10	14.10	+ .00	
18.45	14.62	Oct	14.25	14.25	14.05	14.33	+ .08	
18.75	15.52	Dec	16.25	16.25	16.05	16.30	+ .05	
18.85	15.59	Mar	16.70	16.70	16.40	16.70	+ .31	
19.00	16.09	May	17.00	17.05	16.70	16.75	+ .05	
19.20	16.85	Jul	17.30	17.30	17.05	17.05	+ .00	
17.50	17.13	Aug	17.34	17.34	17.29	17.29	+ .00	
17.50	17.20	Aug						
Est. Sales								
Prev. Sales	11,428							
Prev. Day Open Int.	83,128	off 1,109						
Livestock								
CATTLE (CME)								
40,000 lbs-dollars per lb.								
72.90	58.05	Aug	70.75	70.85	70.10	70.25	+ .40	
72.45	58.05	Sep	69.55	69.55	68.90	69.05	+ .15	
72.45	57.70	Oct	69.48	69.48	68.95	69.27	+ .30	
72.05	57.45	Nov	70.30	70.35	69.65	69.70	+ .05	
72.05	61.25	Jan	70.95	70.95	70.30	70.35	+ .35	
72.40	64.20	Mar	70.93	71.00	70.49	70.45	+ .45	
72.10	62.20	Apr	71.00	71.00	70.45	70.45	+ .20	
72.00	67.20	May	70.00	70.00	69.35	69.50	+ .15	
Est. Sales								
Prev. Sales	4,064							
Prev. Day Open Int.	18,857	off 199						
FEEDER CATTLE (CME)								
44,000 lbs-dollars per lb.								
72.90	58.05	Aug	70.75	70.85	70.10	70.25	+ .40	
72.45	58.05	Sep	69.55	69.55	68.90	69.05	+ .15	
72.45	57.70	Oct	69.48	69.48	68.95	69.27	+ .30	
72.05	57.45	Nov	70.30	70.35	69.65	69.70	+ .05	
72.05	61.25	Jan	70.95	70.95	70.30	70.35	+ .35	
72.40	64.20	Mar	70.93	71.00	70.49	70.45	+ .45	
72.10	62.20	Apr	71.00	71.00	70.45	70.45	+ .20	
72.00	67.20	May	70.00	70.00	69.35	69.50	+ .15	
Est. Sales								
Prev. Sales	4,064							
Prev. Day Open Int.	28,352	off 1,164						
HOGS (CME)								
30,000 lbs-dollars per lb.								
56.50	41.80	Aug	54.15	55.25	54.30	54.57	+ .38	
56.10	37.75	Oct	44.40	44.40	45.40	45.45	+ .05	
56.50	37.75	Dec	44.25	44.25	43.40	44.40	+ .00	
54.85	37.75	Feb	44.73	44.73	44.90	44.90	+ .15	
42.45	35.90	Apr	41.75	41.75	41.75	41.75	+ .00	
42.85	37.50	Jun	41.72	41.72	41.72	41.72	+ .00	
44.00	39.60	Jul	43.75	43.75	43.65	43.65	+ .00	
43.00	39.60	Aug	42.40	42.40	42.35	42.35	+ .00	
Est. Sales	7,812	Prev. Sales	9,220					
Prev. Day Open Int.	28,352	off 1,164						
PORK BELLIES (CME)								
40,000 lbs-dollars per lb.								
82.00	72.00	Jul	81.20	82.48	82.35	82.15	+ 1.03	
78.00	64.00	Aug	76.05	76.45	74.72	76.00	+ .15	
78.00	51.00	Feb	59.95	59.95	58.45	59.75	+ .33	
63.30	53.35	Mar	58.95	58.95	58.55	59.42	+ .97	
64.85	51.00	May	59.10	59.10	59.10	60.20	+ 1.38	
74.50	58.00	Jul	59.50	59.50	59.50	59.50	+ .00	
60.60	53.70	Aug						
Est. Sales	5,943	Prev. Sales	5,236					
Prev. Day Open Int.	11,737	off 181						
Currency Options								
Philadelphia Exchange								
Options & Strike	Price	Calls-Les	Puts-Les					
Aug	Sep	Dec	Sep	Sep	Dec			
51,000 Australian Dollars-cents per unit.								
AdColt 76	r	r	r	r	r	0.68		
12,500 British Pounds-cents per unit.								
B'Pound 155	r	r	r	r	r	1.55		
159.74	157.40	160.10	162.65	159.74	162.65	1.55		
159.74	162.65	160.10	162.65	159.74	162.65	1.55		
159.74	162.65	160.10	162.65	159.74	162.65	1.55		
159.74	162.65	160.10	162.65	159.74	162.65	1.55		
159.74	162.65	160.10	162.65	159.74	162.65	1.55		
159.74	162.65	160.10	162.65	159.74	162.65	1.55		
50,000 Canadian Dollars-cents per unit.								
CDollar 73	r	r	r	r	r	0.43		
75.74	75.74	r	r	r	r	0.84		
75.74	76.74	r	r	r	r	0.84		
52,500 West German Marks-cents per unit.								
DMark 47	r	r	r	r	r	0.87		
51.72	50	r	r	r	r	0.87		
51.72	51	r	r	r	r	0.87		
51.72	52	r	r	r	r	0.87		
51.72	53	r	r	r	r	0.87		
51.72	54	0.40	0.70	1.50	0.87	0.87		
51.72	55	0.12	0.37	1.12	1.27	1.54		
51.72	56	0.14	0.37	0.73	1.27	1.54		
51.72	57	0.05	0.25	0.40	1.27	1.54		
51.72	58	0.05	0.25	0.40	1.27	1.54		
42,000,000 Japanese Yen-100/bu of a cent per unit.								
J-100 74	72	r	r	r	r	0.86		
72	73	r	r	r	r	0.86		
72	74	r	r	r	r	0.86		
72	75	r	r	r	r	0.86		
72	76	r	r	r	r	0.86		
72	77	r	r	r	r	0.86		
72	78	r	r	r	r	0.86		
72	79	r	r	r	r	0.86		
72	80	r	r	r	r	0.86		
72	81	r	r	r	r	0.86		
72	82	r	r	r	r	0.86		
72	83	r	r	r	r	0.86		
72	84	r	r	r	r	0.86		
72	85	r	r	r	r	0.86		
72	86	r	r	r	r	0.86		
72	87	r	r	r	r	0.86		
72	88	r	r	r	r	0.86		
72	89	r	r</					

NYSE Highs-Lows

NEW HIGHS 37	
pmk ies ell's nwind Cp Cp pH ne st sion Dad Back s Ind McGra Mgt's	Alcoa Century Tel DowChem FedPop 120p Hercules Inc IneRand's LomaxSessn MarinLab's MexicoFd PhelosDof prf SnapOn T TDK Cp Thomson Univsys st
AmeHess pf CombCorp CrommInt'n DowChem FloEasCt HuffyCo Kenmill LibertyCp MarkCt 120p MiltonRoy QMC Inc Springfield's TRW Inc & Tiger Int'l UnivLocf	Athlone L CraciCres Danmar C E-11 Hd FlukorCp IC Indust Kroger's LIL Co MediCp Merco Savin 150 Spartan D TaxExch TWA VetorHG
NEW LOWS 28	
Cirri n division Kirk Co MFN 8 n Pak wdc	BiofNewEng de Def 2750Fb Fruit of A MCorp Corp PilgrimPrd n
BritPtr wt EQK RIV GrowGo MongGrill n PublSvc NH	CounTric Enviro HITSDes OINED by SourceC

Currency Options

ADELPHIA EXCHANGE						July 1
	Strike		Calls—Last			Per cent
	Sep	Dec	Aug	Sep	Dec	Per cent
Australian Dollars—cents per unit.						
70						0.48
British Pound—cents per unit.						0.84
155	r	r	r	r	r	0.70
157½	r	r	r	r	r	1.55
160	1.10	1.15				2.20
162½	r	1.00				3.00
165	r	0.55				
Canadian Dollars—cents per unit.						0.43
70						
75½	r	r	0.84	0.42	r	
76½	r	0.24				
West German Marks—cents per unit.						
47	r	r	r	r	r	
50	r	r	r	r	r	
51	r	r	r	r	r	0.19
52	r	r	r	r	r	
53	r	r	r	r	r	0.04
54	0.40	0.70	1.50	0.50	0.61	
55	0.13	0.27	1.13	1.37	1.54	
56	r	0.14	0.23	r	r	
57	r	r	0.40	r	r	
58	r	r	0.05	r	r	
100 Japanese Yen—100ths of a cent per unit.						
61	r	r	r	r	r	0.06
62	r	r	r	r	r	
64	r	r	r	r	r	0.29
65	r	r	1.45	r	r	
66	r	r	0.93	r	r	
67	0.22	0.60	r	r	r	1.18
68	r	0.34	r	r	r	
69	r	r	r	r	r	4.62
70	r	r	r	r	r	5.82
Swiss Franks—cents per unit.						
64	r	r	1.00	0.54	r	
65	r	r	1.00	r	r	1.12

NEW HIGHS 31

Amtrak AmTr-anglo sc AmTr-chv un AmTr-anglo Egy n

Company Result

卷之三十一

Dividend

Spot Commodities

London Commodities

5

Fluoxime

BUSINESS ROUNDUP

Babcock Agrees to Takeover by FKI

Reuters

LONDON — FKI Electricals PLC, a specialist electrical engineering company, said Tuesday that it had agreed to take over Babcock International PLC, an engineering and contracting group larger than itself, in a transaction valued at \$464 million, or about \$740 million.

The merger, to which FKI said Babcock had agreed, would create a group with annual sales of more than £1.3 billion in Britain, Continental Europe, North America, Africa and Asia.

JKI said it would offer 17 new common shares for every 10 Babcock shares, valuing each share at 345 pence. It set a cash alternative of 310 pence per Babcock ordinary share.

After the announcement, FKI's share price dropped by 16 pence, to 187 pence, on the London Stock Exchange. Babcock shares gained 26 pence, to close at 312.

Full acceptance of the offer will

result in the issue of 228 million new shares of FKI common stock, or about 60 percent of the common share capital of the enlarged group.

JKI, based in Sowerby Bridge in northern England, is a fast-growing company with operations in transport equipment, electronic counting devices, motor control, engineering and communications.

About 40 percent of its sales, which amounted to \$33.5 million in the year to end-March, are from military contracts. It had pretax profit of £11.3 million in the year.

In contrast, Babcock International's sales for calendar 1986 were £1.22 billion, yielding pretax profit of £37.1 million.

The Australian company confirmed that Tyndall holds an interest in ordinary shares amounting to 19.9 percent of its issued capital. Most of this interest was acquired Tuesday at the offer price in off-market transactions, it said.

Clayton said Tyndall planned to make the offer through a wholly owned Australian unit. The offer must be approved by Australia's Foreign Investment Review Board and is conditional on Tyndall getting a total interest in Clayton of at least 50 percent.

MBB Blames Falling Dollar For First Loss in 10 Years

Reuters

MUNICH — West Germany's largest aerospace group, Messer Schmitz-Bölkow-Blohm GmbH, posted a group net loss of 104 million Deutsche marks (currently \$55.85 million) in 1986, its first loss in 10 years, the managing board chairman, Hanns Arnt Vogels, said Tuesday.

That loss compares with a 1985 profit of 109 million DM.

Mr. Vogels said the loss was largely caused by the fall in the U.S. dollar.

He said MBB was particularly vulnerable to dollar fluctuations because of high exports, which amounted to 54 percent of group revenue in 1986.

Revenue totaled 5.6 billion DM in 1986, down nearly 7 percent from 6 billion in 1985.

The finance director, Johannes Broeschwitz, forecast a 1987 group net loss of 95 million DM.

He said that other reasons for last year's deficits were losses at MBB's helicopter sector and by Europe's Airbus Industrie consortium, of which Deutsche Airbus GmbH, an MBB subsidiary, is a part.

Mr. Vogels said that as the U.S.

currency seemed unlikely to rise markedly in the near future, it would continue to burden MBB's performance this year.

He said he hoped the company would be able to avoid losses from 1988 onwards. He expected 1987 revenue to rise about 6.3 billion DM.

MBB hopes to increase revenue steadily until the 1990s through participation in international defense technology projects and civil aircraft construction, he said. He forecast revenue of about 9.5 billion DM in 1990.

Mr. Broeschwitz said losses at Deutsche Airbus rose last year to about 200 million DM from 130 million in 1985.

Earnings from the Airbus A-300 and A-310 had to be recalculated at a rate of 2 DM to the dollar instead of 3.50 as in the first half of the year, he said.

Mr. Broeschwitz said MBB paid 150 million DM last year toward Airbus debts totaling more than 2 billion DM and was planning to provide another 150 million this year. This would increase Deutsche Airbus capital by 300 million DM to 450 million.

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Mr.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

	12 Month High Low Stock	Div. Yld.	PE	\$k	High Low	Close	Chg.	12 Month High Low Stock	Div. Yld.	PE	\$k	High Low	Close	Chg.	12 Month High Low Stock	Div. Yld.	PE	\$k	High Low	Close	Chg.	
A																						
ABIN	10	53	104	94	104	104	+1	ABIN	10	53	104	94	104	+1	ABIN	10	53	104	94	104	+1	
ABMG	10	10	11	10	10	10	-1	ABMG	10	10	11	10	10	-1	ABMG	10	10	11	10	10	-1	
AMC	10	40	61	40	40	40	+1	AMC	10	40	61	40	40	+1	AMC	10	40	61	40	40	+1	
AMCB	72	72	72	46	46	46	+1	AMCB	72	72	72	46	46	+1	AMCB	72	72	72	46	46	+1	
AMCI	10	32	32	32	32	32	+1	AMCI	10	32	32	32	32	+1	AMCI	10	32	32	32	32	+1	
AMCO	10	32	32	32	32	32	+1	AMCO	10	32	32	32	32	+1	AMCO	10	32	32	32	32	+1	
AMCP	10	10	10	10	10	10	+1	AMCP	10	10	10	10	10	+1	AMCP	10	10	10	10	10	+1	
AMCT	10	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	
AMCT	10	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	
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AMCT	10	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	
AMCT	10	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1	
AMCT	10	10	10	10	10	10	+1	AMCT	10	10	10	10	10	+1								

Dollar Edges Down Ahead of Reports

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed slightly lower Tuesday in relatively quiet trading ahead of two key economic reports.

It was pressured late in the day by a rumor of a worse-than-expected report on retail inflation.

The dollar closed in New York at 1.8385 Deutsche marks, down from 1.8630 Monday; at 151.75 yen, down from 152.725; at 1.5425 Swiss francs, down from 1.5485; and at 6.1825 French francs, down from 6.1975.

It was also lower against the pound, which closed at \$1.6025, against \$1.5985 Monday.

Last in the day, there was a rumor in the bond market that the consumer price index was going to be up 0.9 percent in June, said Joseph Volpicella, executive vice president of Spavo Financial Corp., a New York-based currency-trading firm.

"That would definitely be inflationary and something the market fears the most," he said.

Mr. Volpicella was referring to the scheduled release Wednesday of the June consumer price index.

Market forecasters have been projecting a 0.3 percent to 0.4 per-

London Dollar Rates

Source: Reuters

Times

Deutsche mark

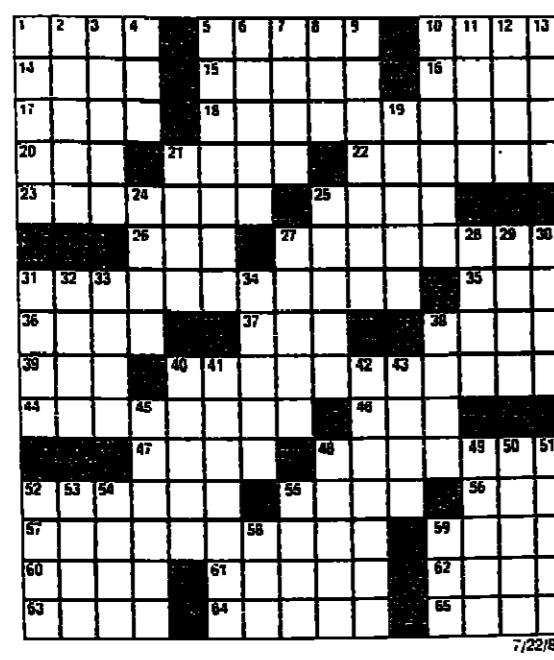
French franc

Japanese yen

Pound sterling

Swiss franc

French franc



PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



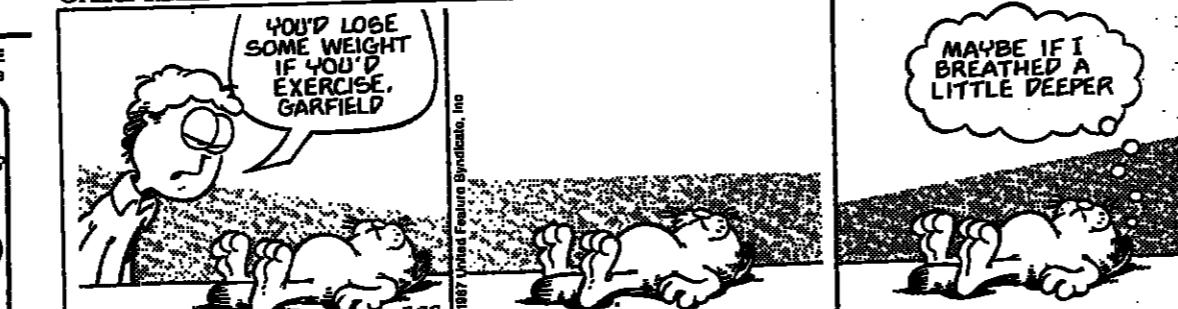
WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

MUM AND MR. ARMITAGE

By Beryl Bainbridge. 144 pages. \$15.95. McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Michiko Kakutani

THE postwar England depicted by Beryl Bainbridge in such quick, pointed novels as "The Bottle Factory Outing" (1975), "Injury Time" (1978) and "A Quiet Life" (1977) is a dark, depressing place where lives are circumscribed and expectations diminished. Families tend to be the source of suffocation rather than sustenance, and romance, too, has a way of dwindling into comedy instead of blossoming into hope. In fact, most of the author's characters live blankly with a vague cloud of menace hovering over their heads.

A similar mood and landscape can be found in the stories of this collection, "Mum and Mr. Armitage." The tennis courts where the ill-fated yuppies in "Beggars Would Ride" meet for their twice-weekly games are full of pots and spouts surrounded by grounds strewn with broken glass and beer cans. The game belongs to Margaret and Richard in "People for Lunch" so tiny that their outdoor luncheon must take place alongside some unsightly garbage bins. And the building that figures so prominently in "Helpful O'Malley" is one of those dark, clammy apartment houses in which coned gas heaters supply insufficient warmth.

Obviously, such bleak settings are meant to mirror the emotional emptiness of the characters' lives. Nearly everyone in this collection suffers from alienation, loneliness or suppressed rage; not one has what could be considered a satisfying day-to-day existence or a sustaining relationship.

Reading these stories, it's clear that Bainbridge has a dry, dark-humored wit as well as a sharp eye for incongruous details. She notices things like a woman's turban printed all over with the heads of dogs, and the Christmas cards knocked off the mantelpiece by a fierce wind. But while her gift for irony has made for some maliciously comic novels, it tends to result in implausible and overly tricked-up plots.

To make matters worse, these stories share a severely limited image bank. At least three of

them ("Mum and Mr. Armitage," "Through Glass Brightly" and "The Man Who Blew Away") feature similar scenes depicting trees or flowers planted in ugly concrete tubs; and two of them ("People for Lunch" and "The Worst Policy") use the same narrative motif in which an obnoxious teenage boy intrudes on an adulterous couple. In the end, such repetitions do a disservice to Bainbridge's usually agile talent. Indeed, they contribute to the feeling that these stories are nearly as banal as the world portrayed by the author.

Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,500 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

1. MISERY, by Stephen King
2. PRESUMED INNOCENT, by Scott Turow
3. WE'RE NO MORE MY LADY, by Mary Sherrill
4. THE HAUNTED MESA, by Louis L'Amour
5. LOVE
6. MORE DUE TO HEARTBREAK, by Sophie Below
7. DICK GENTLY'S HOLISTIC DETECTIVEGENCY, by Douglas Adams
8. EMPIRE, by Gore Vidal
9. WINDMILLS OF THE GODS, by Sidney Sheldon
10. THE TIMOTHY FILES, by Lawrence F. Schiller
11. FINE THINGS, by Danielle Steel
12. PALE KINGS AND PRINCES, by Robert Parker
13. SPIDER, by Michael Crichton
14. SAIL BEYOND THE SUNSET, by Robert A. Heinlein
15. HEIRESS, by Janet Dailey
16. THE EYES OF THE DRAGON, by Stephen King

NONFICTION

1. THE CLOSING OF THE AMERICAN MIND, by Alan Bloom
2. A DAY IN THE LIFE OF AMERICA, by Collier Schorr
3. CULTURAL LITERACY, by E.D. Hirsch Jr.
4. HAMMER, by Arnold Hammer with Ned London
5. JUNGLE, by Whitley Strieber
6. LOVE, MEDICINE & MIRACLES, by Barbara St. Jean
7. EVERYTHING TO GAIN, by Jennifer and Rosanna Carter
8. THE GREAT DEPRESSION OF 1990, by James K. Galbraith
9. THE DIFFERENT DRUM, by M. Scott Peck
10. LIFE AND DEATH IN SHANGHAI, by Niels Cherkassky
11. THEY WORE RED, by Alice Comte
12. BLUES, by John Harney
13. THIS N THAT, by Betty Davis with Michael Herkowitz
14. THE FATAL HOUR, by Robert Heigher
15. GRACE, by James Spader

ADVICE, HOW-TO AND MISCELLANEOUS

1. WOMEN MEN LOVE, WOMEN MEN LEAVE, by Constance Cowen and Melody Kastner

2. MOTHER'S NINTH NEW COLLECTOR'S DICTIONARY, by Merriam Webster

3. SIBLINGS WITHOUT RIVALRY, by Adele Faber and Elaine Mazlish

4. THE CHOLESTEROL CURE, by Robert E. Kowalski

5. THE FRUGAL GOURMET COOKS WITH WINE, by Jeff Smith

BRIDGE

By Alan Truscott

SINCE the world's most popular bidding convention was devised by Easley Blackwood in Indianapolis more than a half century ago, it has been a major success with a special void. A jump to six in the agreed trump suit promises a void in a high-ranking suit.

The traditional Blackwood method scored a striking success, though rather fortuitously, on the diagrammed deal. North and South produced an abrupt auction.

North decided that she was willing to play a slam if her partner held at least two aces. She leaped from one diamond to four no-trump and heard her partner bid six hearts. She passed this, reasonably sure that her partner's void was in the heart suit.

This proved to be an example of "Transfer Blackwood."

By reaching the slam from the South side of the table, North-South had guaranteed success. They were protected against a spade lead from the East, which defeated the slam at other tables.

NORTH

6♦ 6♦ K Q J 9 4

5♦ 5♦ 4♦ 3♦

2♦ 2♦

1♦ 1♦

WEST

6♦ 6♦ K 9 7 5

5♦ 5♦ 4♦ 3♦

2♦ 2♦

1♦ 1♦

EAST

7♦ 7♦ 6♦ 5♦ 4♦

3♦ 3♦ 2♦ 1♦

SOUTH

7♦ 7♦ 6♦ 5♦ 4♦

3♦ 3♦ 2♦ 1♦

East and West vulnerable

South

10 9 8 7 6 5

4 3 2 1

North

10 9 8 7 6 5

4 3 2 1

West led the spade five

High Low Close Club

72700 Memphis 47 37000 Atlanta 47

22150 Miami H 47 18700 Boston 47

32050 Park Ross 47 23400 Chicago 47

67200 Dallas 47 23600 Denver 47

142670 Honolulu 47 23800 Houston 47

217000 Los Angeles 47 24000 Seattle 47

102540 New York 47 24200 Washington 47

727000 Philadelphia 47 24400 San Francisco 47

120200 St. Louis 47 24600 Tampa 47

212120 Cleveland 47 24800 Atlanta 47

120200 Detroit 47 25000 Charlotte 47

120200 Fort Worth 47 25200 Denver 47

120200 Milwaukee 47 25400 Houston 47

120200 Pittsburgh 47 25600 Kansas City 47

120200 Phoenix 47 25800 Minneapolis 47

120200 Portland 47 26000 Newark 47

120200 Sacramento 47 26200 New Orleans 47

120200 San Jose 47 26400 Oklahoma City 47

120200 San Antonio 47 26600 St. Paul 47

120200 Seattle 47 26800 Spokane 47

120200 St. Louis 47 27000 Tampa 47

120200 Toledo 47 27200 Wichita 47

120200 Tulsa 47 27400 Louisville 47

120200 Worcester 47 27600 Salt Lake City 47

120200 Youngstown 47 27800 Anchorage 47

120200 Akron 47 28000 Birmingham 47

120200 Cincinnati 47 28200 Boston 47

120200 Cleveland 47 28400 Chicago 47

120200 Dallas 47 28600 Denver 47

120200 Houston 47 28800 Atlanta 47

120200 Kansas City 47 29000 Seattle 47

120200 Louisville 47 29200 Newark 47

120200 Milwaukee 47 29400 Pittsburgh 47

120200 Newark 47 29600 Spokane 47

120200 Oklahoma City 47 29800 Tampa 47

120200 Portland 47 30000 Wichita 47

120200 Sacramento 47 30200 Anchorage 47

120200 Salt Lake City 47 30400 Birmingham 47

120200 Seattle 47 30600 Cincinnati 47

120200 St. Louis 47 30800 Denver 47

120200 Tampa 47 31000 Houston 47

120200 Wichita 47 31200 Milwaukee 47

120200 Anchorage 47 31400 Newark 47

120200 Birmingham 47 31600 Pittsburgh 47

120200 Cincinnati 47 31800 Salt Lake City 47

120200 Denver 47 32000 Seattle 47

120200 Houston 47 32200 Spokane 47

120200 Milwaukee 47 32400 Anchorage 47

120200 Newark 47 32600 Birmingham 47

120200 Newark 47 32800 Cincinnati 47

120200 Newark 47 33000 Denver 47

120200 Newark 47 3

PEOPLE

Kennedy Clan Turns Out In Gold Star Mother Fest

The Kennedy clan turned out Monday to open a park in Boston dedicated to Rose Fitzgerald Kennedy, who turns 97 on Wednesday, and other Gold Star mothers. The \$700,000 project features a rose garden within a one-acre park, and a fountain. Mrs. Kennedy's son, Joseph P. Kennedy Jr., died in a combat mission during World War II, when the Gold Star concept originated to recognize mothers who lost offspring in war.

Amy Carter, daughter of former President Jimmy Carter, is getting support from her parents after being dismissed from Brown University at Providence, Rhode Island.

"She is 19 years old and makes her own decisions," Carter said. His wife, Rosalynn, said Monday: "Amy, a sophomore, may apply for readmission after a year. Amy and 14 others, including Abby Hoffman, were arrested in November at the University of Massachusetts at Amherst while protesting activities of the Central Intelligence Agency.

They were acquitted of misdeeds.

In searching for a new career path, Bregman decided that he could produce movies as well as some of the entrepreneurs he had seen in action.

When he read Peter Maas's book "Serpico," the story of a New York policeman who exposed corruption in his department, Bregman optioned it for his first movie. Pacino, one of his former clients, starred in that film and in other Bregman productions.

All of his co-workers testified that one of Bregman's greatest strengths was his gift for casting and for handling actors on the set.

As Alida says: "You have to remember that Marty became a successful manager by taking on people nobody had ever heard of. These people became stars, but they were not stars when he began to represent them. He has a very good eye for talent, and I still rely on him for interesting casting ideas."

"Marty is very good with casting," De Palma continues, "and he is also very good at raising his ego through the eyes of certain actors. I think that comes from managing complicated and difficult personalities for so many years."

Perhaps because he has learned that actors will follow a good script rather than a favorite producer, Bregman has also become a passionate believer in good writing.

"To me the most important thing in a film is the screenplay," Bregman says. "And it is the thing that is so easily destroyed when you're doing the film. It's insane when a script is rewritten on the set. On my film no line is allowed to be changed unless I'm there and I approve of it."

Emperor Hirohito will travel in October to Okinawa, the only prefecture in southwestern Japan that he has not officially visited since the end of World War II, an Imperial Household Agency official said Tuesday. The emperor visited all other prefectures between 1946 and 1954, but Okinawa was excluded because it was under U.S. occupation. Okinawa reverted to Japan in 1972. Hirohito visited it in 1952, when he was crown prince.

OBSERVER

A Ship on the Shoulder

By Russell Baker

NEW YORK — The United States is going to reflag oil tankers belonging to Kuwait. This is a boon to Kuwait, which gets the U.S. Navy for its very own, and for Scrabble players, who can now make "reflag," "reflags" and "reflagging" without being put out of the game at gunpoint.

Kuwaiti tankers that are not reflagged will give us the word "unreflagged." If the president later calls off the reflagging we will have "dis-reflagging." Try saying it out loud: "disreflagging."

Makes your mouth tired, doesn't it?

Reflagging is a high-tech version of something tough guys used to do in the schoolyard. One boy put a chip on his shoulder and dared another, usually a small anemic boy, to "go ahead and knock it off if you think you're tough enough."

After the weapons of choice for schoolyard tough guys shifted from fists to pistols and stilettos, the old chip-on-shoulder gambit went the way of helping a blind woman to cross the street without knocking her down and stealing her purse.

But back to reflagging: What the U.S. is doing is putting a Kuwaiti tanker on its shoulders and daring the ayatollah to knock it off if he thinks he's tough enough.

The people behind this idea say there isn't much risk the ayatollah will do it. They say good sense will probably prevail.

They know something the rest of us don't. Our past experience with the ayatollah suggests only one certainty: to wit, that in Iran good sense will never prevail when dealing with the United States.

Long before reflagging was invented, Iran regularly blasted Kuwaiti tankers in the Persian Gulf. This was not pure Iranian nastiness; Kuwaiti's big oil money helps pay for Iraq's war against Iran. You can see how Iranians might feel justified in blasting the tankers.

So look what we have: After losing tankers because it sides with Iraq, Kuwait persuades the United States to put U.S. flags on Kuwaiti ships, so that Iranian attackers will henceforth be attacking U.S. tankers, thus knocking the chip off President Reagan's shoulder.

What then? Since doing nothing would raise humiliating questions about why he issued a dare to the ayatollah in the first place, he would presumably have to do something. Chances are he would do something robust with explosives.

For years Americans of bellicose disposition have favored the "surgeal strike" in cases like this. The surgical strike is the seductive dream of people with high-tech weapons at their disposal. Dating from the Vietnam War, the phrase "surgical strike" sounds so efficient, so scientific, so clean. ("We'll just go in there and clear out that bothersome old appendix, and you'll be good as new in a day or two.")

So doubtless one of the choices offered the president, should the Iranians behave irrationally about reflagged tankers, will be the famous surgical strike. Ah, trouble, your name is Surgical Strike.

A president who is thinking about dealing with the world's Iraans with surgical strikes is like a person whose doorknob is being rung by a friend bearing a kitten. In either case, you had better have a firm policy prepared in advance or you are in for trouble.

The kitten will be irresistible, but do you realize that a kitten turns very quickly into a cat and will remain with you for the next 15 years, shredding the upholstery, spreading fumes from parlor to bedroom, repelling friends with cat allergies and requiring constant care until you are thick, bent and wan with age? If so, you may accept the kitten anyhow, but you do so wisely prepared to accept long years of anguish.

Long years of anguish: so many presidents since World War II have suffered them after choosing the surgical-strike policy against countries not much bigger than Grenada. You might suppose that before letting themselves in for such pain, presidents nowadays would first make sure the country is willing to put up with whatever may come.

Everybody out there ready to persevere in case the ayatollah doesn't behave sensibly?

New York Times Service

Producer Martin Bregman, Movie Juggler

By Stephen Farber
New York Times Service

LOS ANGELES — These are frustrating days for a movie producer. Hundreds of scripts are put into development by the studios, but nervous executives postpone the start of production as long as possible. When the day finally approaches for the studio to commit \$15 million to film the script and another \$10 million to market the film, the easiest decision is to drop the project. And so the producer who has nurtured the project for a couple of years must begin again, shopping it around town, hoping that the end of the journey will not be another rejection.

With several profitable pictures to his credit, Martin Bregman is one of Hollywood's more successful and vigorous producers. Yet even he has to keep a dozen projects in development at half a dozen studios if he is to make one film every year or two. During the last 15 years Bregman has produced "Serpico," "Dog Day Afternoon," "The Four Seasons" and "Scarface." But his last picture, "Sweet Liberty," was a box-office disappointment, and his newest, "Real Men," a comedy about CIA shenanigans that stars John Ritter and Jim Belushi, had its release date postponed until late September amid rumors of editing problems. So that means Bregman is to hustle that much more frantically just to stay afloat.

Bregman admits that he frequently offers the president, should the Iranians behave irrationally about reflagged tankers, will be the famous surgical strike. Ah, trouble, your name is Surgical Strike.

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New York Times Service



Producer Bregman (left) with Jim Belushi on the set of "Real Men."

September, as well as the long-delayed film of the old radio series "The Shadow," which is scheduled to go before the cameras in November.

"I had enormous problems getting 'Serpico' and "Dog Day Afternoon" made," Bregman says. "But it seems to get harder. I can't change the way I think or the kind of material I'm attracted to. How do you spend years involved in something you really don't believe in? My 14-year-old goes to a lot of junk. I would like him to see some serious things, to know what the real world is like. He can't watch cartoons for the rest of his life, and that seems to be the direction we're heading in."

"The Shadow" is Bregman's one broad-brush film, with Ben Cross signed to star as the dapper crime-fighter Lamont Cranston. "Tapping the Source," the Michael Apted film, is the story of a young man fighting to expose a drug ring in a surfing community in California. Pacino will star in a remake of the hard-edged caper film "Rififi" and also in "Vito,"

the story of Vito Marcantonio, a controversial leftist politician from Manhattan who fought organized crime and corruption.

Among Bregman's other projects is "Home Again," a comedy about the full-nest syndrome, the new phenomenon of older children returning home to live with their parents.

"If you're growing things, it's important to have many different projects in the nursery."

Despite the frustrations of functioning as a producer today, Bregman has survived partly because of his toughness and tenacity and partly because he's won the loyalty of high-powered actors and directors. "Most producers put on an act," says Michael Apted, the director of one of his upcoming films. After that, Bregman fields calls from Al Pacino about two more movies on his agenda, from an agent who wanted to discuss a rewrite of the Apted project, from another agent pitching a script for still another project. Then Bregman rushed to the set of "Real Men" to make sure that the first-time director, Dennis Feldman, was staying on schedule.

Later, he would learn that the Apted project, which he had hoped to start filming this summer, would have to be postponed at least until next spring. But Bregman still has a new Alan Alda film set to begin shooting in

September, as well as the long-delayed film of the old radio series "The Shadow," which is scheduled to go before the cameras in November.

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the story of Vito Marcantonio, a controversial leftist politician from Manhattan who fought organized crime and corruption.

Among Bregman's other projects is "Home Again," a comedy about the full-nest syndrome, the new phenomenon of older children returning home to live with their parents.

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Despite the frustrations of functioning as a producer today, Bregman has survived partly because of his toughness and tenacity and partly because he's won the loyalty of high-powered actors and directors. "Most producers put on an act," says Michael Apted, the director of one of his upcoming films. After that, Bregman fields calls from Al Pacino about two more movies on his agenda, from an agent who wanted to discuss a rewrite of the Apted project, from another agent pitching a script for still another project. Then Bregman rushed to the set of "Real Men" to make sure that the first-time director, Dennis Feldman, was staying on schedule.

Later, he would learn that the Apted project, which he had hoped to start filming this summer, would have to be postponed at least until next spring. But Bregman still has a new Alan Alda film set to begin shooting in

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gentle people like Alida, Pacino, Barbra Streisand, and Faye Dunaway early in their careers. But he grew tired of playing uninterested or gifted but insecure actors. "I had worked with actors most of my life," Bregman says, "and it wasn't fun for me anymore. Most actors start in their lives being brutalized by everybody. It's a world of rejection, coupled with an inability to pay your telephone bill or your rent. So actors are very fragile and vulnerable. And dealing with insecure people is hard."

In searching for a new career path, Bregman decided that he could produce movies as well as some of the entrepreneurs he had seen in action.

When he read Peter Maas's book "Serpico," the story of a New York policeman who exposed corruption in his department, Bregman optioned it for his first movie. Pacino, one of his former clients, starred in that film and in other Bregman productions.

All of his co-workers testified that one of Bregman's greatest strengths was his gift for casting and for handling actors on the set.

As Alida says: "You have to remember that Marty became a successful manager by taking on people nobody had ever heard of. These people became stars, but they were not stars when he began to represent them. He has a very good eye for talent, and I still rely on him for interesting casting ideas."

"Marty is very good with casting," De Palma continues, "and he is also very good at raising his ego through the eyes of certain actors. I think that comes from managing complicated and difficult personalities for so many years."

Perhaps because he has learned that actors will follow a good script rather than a favorite producer, Bregman has also become a passionate believer in good writing.

"To me the most important thing in a film is the screenplay," Bregman says. "And it is the thing that is so easily destroyed when you're doing the film. It's insane when a script is rewritten on the set. On my film no line is allowed to be changed unless I'm there and I approve of it."

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